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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Second International Decade for the Eradication of Colonialism

Pacific regional seminar on the implementation of the Second International Decade for the Eradication of Colonialism: priorities for the remainder of the Decade, to be held in Bandung, Indonesia, from 14 to 16 May 2008

Guidelines and rules of procedure

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I. Introduction

1. The General Assembly, at its fifty-fifth session, adopted resolution 55/146 of 8 December 2000, in which it declared the period 2001-2010 the Second International Decade for the Eradication of Colonialism. In paragraph 2 of the resolution, the Assembly called upon Member States to redouble their efforts to implement the plan of action contained in the annex to the report of the Secretary-General dated 13 December 1991 (A/46/634/Rev.1), updated where necessary, to serve as the plan of action for the Second International Decade. The updated plan of action is contained in the annex to the report of the Secretary-General dated 22 March 2001 (A/56/61). The plan of action, in paragraph 22 (c), called on the Special Committee to organize seminars in the Caribbean and Pacific regions, as well as at United Nations Headquarters, to review the progress achieved in the implementation of the plan of action.

2. In its resolution 62/120 of 17 December 2007, the General Assembly approved the programme of work of the Special Committee envisaged for 2008, including the holding of a seminar in the Pacific region to be organized by the Committee and attended by the representatives of all the Non-Self-Governing Territories.

II. Place and dates of the seminar

3. The Pacific regional seminar will be held in Bandung, Indonesia, from 14 to 16 May 2008.

III. Purpose of the seminar

4. The purpose of the seminar is to review the progress achieved in the implementation of the plan of action of the Second International Decade for the Eradication of Colonialism, in order to define priority action for the remaining years of the Decade. The seminar will also assess the situation in the Non-Self-Governing Territories, in particular their constitutional evolution towards self-government and self-determination, with a view to developing, in cooperation with the administering Powers and the representatives of the Non-Self-Governing Territories, a constructive programme of work on a case-by-case basis for the decolonization of the Non-Self-Governing Territories. The seminar will also identify areas in which the United Nations system and the international community at large could enhance programmes of assistance to the Territories within an integral framework ensuring the political and sustainable socio-economic development of the Territories concerned.

5. The seminar's discussions will assist the Special Committee in making a realistic analysis and evaluation of the situation in the Non-Self-Governing Territories. The seminar will give pre-eminence to a broad range of views of the peoples of those Territories. It will also secure the participation of organizations and institutions that are actively involved in the political, economic and social development of the Territories.

6. The contributions of the participants will serve as a basis for the conclusions and recommendations contained in the seminar report, which will be carefully studied by the Special Committee with a view to submitting proposals to the

General Assembly concerning the fulfilment of the objectives of the Second International Decade for the Eradication of Colonialism.

IV. Agenda of the seminar

7. The agenda of the seminar is as follows:

1. Role of the Special Committee in facilitating the decolonization of the Non-Self-Governing Territories within the framework of the Second International Decade for the Eradication of Colonialism:
   (a) Priority areas for the remainder of the Decade;
   (b) Strengthening cooperation with administering Powers;
   (c) Participation of the people of Non-Self-Governing Territories.
2. Perspectives of the Special Committee, administering Powers and territorial Governments, as well as views of experts on priorities for the remainder of the Second International Decade for the Eradication of Colonialism:
   (a) In the Pacific region, in particular Tokelau;
   (b) In the Caribbean region;
   (c) In other Non-Self-Governing Territories.
3. Follow-up to the 2007 Caribbean regional seminar:
   (a) Perspective of the Special Committee;
   (b) Perspective of administering Powers;
   (c) Perspective of Non-Self-Governing Territories;
   (d) Views of experts.
4. Role of the United Nations system in providing developmental assistance to Non-Self-Governing Territories: presentations by the United Nations Development Programme and others.
5. Way forward: recommendations on advancing the decolonization process for the remainder of the Second International Decade for the Eradication of Colonialism.

V. Organization of the seminar

8. The following provisions will govern the organization of the seminar:

(a) The seminar will be organized by the Special Committee in accordance with the rules of procedure contained in the annex to the present guidelines;

(b) The seminar will be conducted by a delegation of the Special Committee consisting of the Chairman and seven other members representing each of the regional groups within the Special Committee;

(c) The seminar may be attended by the following:

(i) Representatives of Member States;

(ii) Representatives of the host Government;

(iii) Representatives of the administering Powers;

(iv) Representatives of the Non-Self-Governing Territories;

(v) A representative of the Secretary-General;

(vi) Representatives of concerned specialized agencies and other organizations within the United Nations system;

(vii) Representatives of the organizations based in the region and the Non-Self-Governing Territories;

(viii) Experts on Non-Self-Governing Territories.

Annex

Rules of procedure

Preamble

The Pacific regional seminar is being held under the terms of General Assembly resolution 55/146 of 8 December 2000. The organization of the seminar and the conduct of its proceedings shall follow the general guidelines set out in the rules of procedure of the General Assembly.[a]

Rule 1
Responsibility for conducting the seminar

The seminar shall be organized by the Special Committee and conducted by the Chairman of the Special Committee, with the assistance of the Bureau of the seminar (see rule 2 (a) below).

Rule 2
Officers of the seminar

(a) The Chairman shall appoint two Vice-Chairmen, a Rapporteur and a Chairman of the drafting group of the seminar from among the participating members of the Special Committee. These officers shall be given specific responsibilities by the Chairman and shall constitute the Bureau of the seminar.

(b) The Chairman shall declare the opening and closing of each meeting of the seminar, direct its discussions, ensure observance of the present rules, accord the right to speak, pose questions and announce decisions.

(c) If the Chairman is unable to be present at a meeting or any part thereof, a Vice-Chairman shall preside over the meeting.

Rule 3
Secretariat

(a) The secretariat of the Special Committee shall service the seminar.

(b) The secretariat shall be responsible for all necessary arrangements regarding the organization of the seminar.

Rule 4
Languages

The working language of the seminar shall be English.

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[a] A/520/Rev.16.

Rule 5
Conduct of business

(a) Decisions shall, as a rule, be taken by consensus. Should a vote be required, only representatives of the Special Committee attending the seminar shall be entitled to vote.

(b) Any procedural question with regard to the conduct of business of the seminar not covered by the present rules shall be decided upon by the Chairman in consultation with the Bureau of the seminar.

Rule 6
Participation in the seminar

Participation in the seminar shall be restricted to the persons to whom formal invitations have been addressed by the Chairman of the Special Committee in accordance with the related decision of the General Assembly[b] and whose names appear on the official list of participants drawn up by the Chairman.

Rule 7
Debates and publicity concerning the seminar

(a) The meetings of the seminar shall be held in public unless the Chairman decides that exceptional circumstances require that a meeting be held in private.

(b) Statements to the information media shall be made by the Chairman. The Department of Public Information of the Secretariat shall be responsible for the dissemination of information on the seminar, including the issuance of press releases covering meetings of the seminar held in public.

(c) Participating organizations shall be represented by the person so invited (see rule 6 above), who may make one general statement on issues within the purview of the Committee's mandate and pertaining to those Territories under its consideration during the course of the seminar.

(d) The Chairman may limit the time to be allowed to each speaker.

(e) During the course of the discussion, the Chairman, with the consent of the seminar, may declare the list of speakers closed. When there are no speakers, the Chairman shall, with the consent of the seminar, declare the debate closed.

Rule 8
Records

The seminar shall have sound recordings of its proceedings, which shall be retained in the archives of the United Nations in accordance with established practice.

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[b] See A/56/61, annex, para. 22 (c).

Rule 9
Report

The Rapporteur of the seminar shall prepare the draft report of the seminar. The Chairman, assisted by a drafting group appointed by him and to be chaired by one of the members of the drafting group, shall prepare draft conclusions and recommendations of the seminar. The report of the seminar, with conclusions and recommendations, shall be submitted to the Special Committee for its consideration.

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

St. Helena

Working paper prepared by the Secretariat

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I. General

1. St. Helena, which is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland, consists of the island of St. Helena and two dependencies: the island of Ascension and a group of small islands forming the dependency of Tristan da Cunha.

2. Situated in the South Atlantic Ocean, approximately 1,900 kilometres from Angola and 2,900 kilometres from Brazil, St. Helena is a small island of volcanic origin. The island, where Jamestown, the capital, is located, is the largest of the Territory's islands, with an area of 122 square kilometres. Ascension lies 1,200 kilometres to the north-west of St. Helena, and Tristan da Cunha and the other small islands are approximately 2,400 kilometres to the south. The Territory comprises a total land area of 412 square kilometres. The islands enjoy a tropical climate tempered by trade winds that blow throughout the year. They have distinctive flora and fauna, with many rare or endangered species.

3. The uninhabited island of St. Helena was discovered in 1502 by the Portuguese navigator Juan da Nova. In 1633 the Netherlands claimed the island but did not occupy it. In the wake of a charter from the Lord Protector of Britain in 1657, later consolidated by a Royal Charter issued by King George II in 1661, the British East India Company proceeded in 1658 to colonize and fortify the island, which was subsequently settled by the English. Slaves were brought from Africa, Madagascar and the Far East. Chinese and some Indian indentured labourers were brought to work on the island. Napoleon Bonaparte was exiled to St. Helena from 1815 until his death in 1821. St. Helena became a British Crown Colony in 1834.

4. The inhabitants of St. Helena are known as "Saints" or St. Helenians. According to a 1998 census, 5,010 people lived on St. Helena. However, in July 2003, the St. Helena Statistics Office estimated that there were between 3,750 and 3,800 inhabitants on the island, meaning that a quarter of the population had left in just over five years. The Office noted that, following the reintroduction of granting of British citizenship to Saints in 2002, the island experienced an exodus. A new island-wide population census was scheduled for 10 February 2007. Meanwhile 2006 figures show that the population had grown somewhat and reached 4,157 inhabitants.[1] While it is difficult to forecast future population trends, it is likely that the high emigration rate has ended for the most part, as most people desiring to leave have already done so, while the population in the age groups most likely to leave has been depleted. Approximately one fifth of the population resides in Jamestown. English is the official language of St. Helena.

II. Constitutional, legal and political developments

5. The St. Helena Constitution Order of 1988, which entered into force on 1 January 1989, replaced the Constitution of St. Helena and dependencies introduced on 1 January 1967. Under the 1988 Constitution, the Governor and

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Note: The information contained in the present paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] Information provided by the administering Power, January 2007.

Commander-in-Chief, who is appointed by the United Kingdom Government, administers the Territory. The Governor is assisted by an Executive Council and a Legislative Council. Mr. Andrew Gurr took up his appointment as the new Governor and Commander-in-Chief of St. Helena, Ascension and Tristan da Cunha on 11 November 2007.

6. The Legislative Council comprises the Speaker, three ex officio members (the Chief Secretary, the Financial Secretary and the Attorney General) and 12 elected members. The Executive Council, which is presided over by the Governor, consists of the ex officio members and five of the elected members of the Legislative Council. Although a member of the Legislative Council and the Executive Council, the Attorney General has no vote in either body.

7. Elections are held by secret ballot, at intervals of not more than four years, by universal suffrage for those aged 18 years and over. While two political parties exist, they have been inactive since 1976 and elections are held on a non-partisan basis. The most recent general elections were held on 31 August 2005, when 12 candidates representing two constituencies were elected to the Legislative Council.

8. The Constitution of St. Helena provides for the separation of the judiciary from the Government. The legal system comprises a Court of Appeal, a Supreme Court and a Magistrates' Court, with a final appeal procedure lying open to the Privy Council of the United Kingdom. Local legislation is generally applied. However, where no local legislation has been enacted, the laws of the United Kingdom are applied to the extent applicable to local circumstances.

9. St. Helenians may hold British passports and may work anywhere within the European Union, having regained their right to British citizenship under the British Overseas Territories Act of May 2002. Those citizenship rights had been previously taken away by the British Nationality Act of January 1983.

10. Extensive negotiations and public consultations in relation to constitutional reform and modernization have been carried out in St. Helena since 2001. Desiring a system of government that would give more responsibility to locally elected representatives, the services of an independent constitutional adviser were employed to assist with examining options for constitutional reform and drafting a new constitution for the Territory.

11. In October 2002, following consultations with the adviser, the Legislative Council announced its proposed constitutional changes. A final draft constitution was completed following additional rounds of negotiations in 2003 and 2004. The new constitution proposed three main changes to the existing constitutional system in St. Helena: government by reference to partnership values; new guarantees of fundamental human rights; and a two-tier ministerial form of government. Further details on the proposed constitutional changes are contained in the 2005 working paper (A/AC.109/2005/14, paras. 11-25) and the 2007 working paper (A/AC.109/2007/14, paras. 12-16).

12. Following extensive negotiations and public consultations, a consultative poll was held on 25 May 2005 on St. Helena to determine whether St. Helenians wanted to adopt the new constitution. The United Kingdom had stressed that it would not bring the new constitution into force until it received a clear signal from St. Helenians that they wished to do so.

13. St. Helenians who voted in the consultative poll rejected the proposal by 52.6 per cent against and 47.2 per cent in favour. The new ministerial system of government was particularly controversial, whereas the human rights chapter and the partnership values declaration received more public support.[2] Members of the Legislative Council resolved to continue constitutional reform by incorporating the popular changes into the framework of the existing Constitution and working to streamline the current Government.

III. Economic conditions

A. General

14. In 2007, a shrinking tax base, partly owing to migration and an ageing population, has meant that St. Helena is heavily dependent on the United Kingdom and other external sources for funding. That funding allows the population to enjoy a higher standard of living than local resources would otherwise be able to sustain. St. Helena's gross domestic product (GDP) per capita for 2006 was £3,100. Budgetary support from the United Kingdom is used to meet essential public services and to subsidize the Territory's dedicated shipping service.[3] In real terms, aid from the United Kingdom has increased over the past decade, and accounts for almost 56 per cent of all public investment expenditures.[4] As well as supporting the Government's annual budget, much of the capital investment in the Territory is funded through the Department for International Development (DFID) and the European Union.

15. According to information provided by the administering Power on 30 January 2008, DFID will soon be funding a public sector modernization programme.[4]

16. A visit to St. Helena by DFID representatives to discuss the three-year 2007-2010 aid package took place between 26 February and 6 March 2007. Underpinning that package, and following wide consultations with the public and private sectors as well as civil society, in October 2007 the St. Helena Government published a three-year sustainable development plan for 2007-2010 focusing on planned social and economic development for the period leading up to the opening of the airport.

17. It was agreed that the plan, which sets out a broad development strategy, would serve as a three-year rolling framework to move the aid package forward, and would be reviewed every two years. The plan is based on six previously agreed strategic objectives: improved access; improved standard of education; the development of a sustainable and vibrant economy; the development of a healthy community in a safe environment; the promotion and development of a sustainable workforce; and the continuing development and establishment of democratic rights, human rights and self-determination of the people.

18. All departments within the St. Helena Government are expected to produce business plans which are linked to the sustainable development plan.

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[2] *St. Helena Herald*, 3 June 2005.

[3] United Kingdom Overseas Territories Department, Department for International Development, press release, 14 March 2005.

[4] Information provided by the administering Power, 30 January 2008.

19. In order to provide an incentive to maintain a policy focus on sustainable development, all parties agreed that St. Helena would be able to retain and reallocate any budgetary savings in the recurrent budget made from efficiency measures and/or higher domestic revenues within the three-year framework. At the same time, however, the recurrent budget also has a "hard budget ceiling", which means that any overspends would have to be met by in-year reprioritization or expenditure savings.[5]

20. According to information provided by the administering Power, total budgetary aid, development assistance and shipping support from the United Kingdom Government was £16.153 million for the 2007/2008 fiscal year, compared to £14.761 million during the previous period — a 9.4 per cent increase. The United Kingdom approved the new aid package in June 2007.[6]

21. In order to facilitate private-sector development, the St. Helena Government has established policies that focus on creating new enterprises, privatizing existing State-owned assets, and vocational training. According to the administering Power, the private sector is projected to grow as a proportion of the total economy from 30 per cent in 2004 to 40 per cent in 2015.[6]

B. Development projects

22. As of 1997, St. Helena received assistance from the United Nations Development Programme (UNDP), when the first country cooperation framework between UNDP and the St. Helena Government was approved. In 2002, the UNDP Executive Board, however, decided to cease assistance following a transition period. This decision was based on the fact that the aid provided by the United Kingdom had contributed to an increase in St. Helena's GDP per capita, which exceeded the established GDP threshold for UNDP assistance.[7] Therefore, activities under the last ongoing project, concerning training and retraining for long-term unemployed, were completed by the end of 2007.

23. St. Helena is also eligible to receive funds from the European Union, as mentioned earlier. In 2006, funding was released by the European Union for an extensive programme of infrastructure improvements relating to sea access on St. Helena and its Dependencies. The approved activities are now in full implementation. The total value of the programme is 17.79 million euros.

24. Large-scale projects funded by DFID include upgrading and extension of the island's electricity distribution system; installation of additional wind turbines; upgrading of wastewater systems; expansion of the St. Helena Development Agency's role and services to facilitate investment and private sector growth; and the construction of a purpose-built community care complex and adult vocational training. A project memorandum relating to solid waste management is currently awaiting approval by DFID. The agreed allocations of development aid, within the current three year framework, to support these projects are £1.850 million in 2007/2008; and £1.591 million in 2008/2009. In addition, DFID is funding a major infrastructure review that will enable a comprehensive plan to be developed

[5] Information provided by the administering Power, March 2007.
[6] *St. Helena Herald*, 15 April 2005.
[7] Information provided by UNDP, February 2007.

identifying St. Helena's infrastructure requirements over the next 10 to 20 years. For information on a planned airport to be funded by DFID see para. 31-34 below.[7]

C. Agriculture and fisheries

25. Fisheries are an important sector in St. Helena's economy. In 2004, two St. Helenian fishing vessels developed the capacity to fish beyond the 12-mile inshore waters of the island's 200-mile exclusive economic zone. In February 2006, one of these vessels broke its anchor and ran aground. Owing to the limited lifting facilities available on the island, the vessel could not be taken out of the water or shipped offshore for repairs and therefore had to be disposed of by sinking. The second vessel failed to meet the safety certification as required by the Marine Consultants in June 2006 and has therefore been restricted from carrying out offshore operations until the necessary safety measures have been implemented. There are a total of 32 fishing boats with commercial licences. The local fishermen sell their catch to the St. Helena Fisheries Corporation. Fish purchases for the first half of the financial year 2006/2007 were 309 metric tons. The volume of fish exported was 150.5 metric tons. There has been no take-up of foreign fishing licences for 2006/2007, although those licences have in the past contributed up to 20 per cent of all local revenue.[7]

26. St. Helena has developed a reputation for the high quality of its coffee and fish. St. Helena's coffee is considered one of the finest premium coffees in the world. Its wild fish are the first to receive organic certification from the Soil Association, the United Kingdom's leading campaigning and certification organization for organic food and farming. Plans are currently in hand to investigate the possibility of obtaining international Marine Stewardship Council accreditation for the waters around St. Helena. This accreditation is awarded for sustainable and environmentally responsible fishing.[8]

27. With regard to farming, in August 2005 a drip irrigation project was completed, connecting 69 farmers to St. Helena's new irrigation system. A new agricultural improvement scheme became effective on 8 January 2008, which replaced all previous policy schemes offered by the Agriculture and Natural Resources Department. The scheme provides grants for sheep farming and for apiculture, and subsidies for the purchase of herbicides. It is anticipated that it will extend to grants for livestock housing and pasture management in subsequent years.[9]

D. Transport, communications and utilities

1. General

28. Access to St. Helena is provided by the RMS *St. Helena*, which serves St. Helena, Ascension, Walvis Bay, Namibia and Cape Town, South Africa. The nearest airstrip is located on Ascension. Plans are under way for the construction of an international airport on St. Helena (see paras. 31-34 below). With recent announced delays, the airport is now expected to become operational by 2011-2012. At that point, the United Kingdom Government will withdraw its subsidy from the

[8] www.saintshelena.gov.sh, 13 December 2006.

[9] *St. Helena Herald*, 18 January 2008.

RMS *St. Helena*, and it will be for the St. Helena Government to decide whether to retain the vessel in service.

29. St. Helena's only port, Jamestown, provides good anchorage, although the building of a breakwater would allow passengers of large cruise vessels to come ashore in all types of weather. There is a continuing debate about the need for a breakwater, following the decision to build a jetty in neighbouring Rupert's Bay as part of the air access project.

30. St. Helena has approximately 120 kilometres of surfaced roads and 20 kilometres of earth roads. In 2006 and 2007, a considerable amount of road work was completed. The road projects included resurfacing 10 kilometres of highway, patching 50 kilometres of road, cleaning 50 kilometres of road verge and building 100 metres of safety railing and 300 square metres of retaining walls. Four district and two community roads were also completed during this period. A public transport system was launched in November 2003 by the St. Helena Government.

2. Airport

31. As previously mentioned, following extended consultation between the Government of St. Helena and DFID, it was announced in March 2005 that the Department would provide funding for the construction of an international airport on St. Helena. That agreement was subject to satisfactory bids for a contract covering the design, building and operation of the airport, as well as a rigorous environmental impact assessment. A tender process in mid-2006 failed to deliver a successful contract, and a revised tender was issued later that year. In November 2007, two bids were received and are currently being evaluated. Provided that the bids represent value for money, it is expected that a contract for the construction will be signed by mid-2008.[9]

32. Work is currently under way to prepare the formal application for Development Permission for the airport. An additional period of public information is planned prior to submission of the application, to include public meetings and displays. The cost of undertaking the airport project has not been disclosed, as DFID considers that disclosure of cost estimates could prejudice the competitive tender process. Feasibility work suggests that with air access, St. Helena may graduate from United Kingdom financial assistance by around 2030.[10]

33. A Development Board was formed in June 2005 to oversee the air access project. The Board consists of representatives from the Government of St. Helena, the private sector and civil society. The Board's main role is to advise the Executive Council on development policies and strategies to ensure successful completion of the airport. The main areas of interest identified by the Board are policies concerning immigration, landholding, tax, development and employment.[11]

34. The announcement by DFID that it would fund the construction and operation of an international airport on St. Helena was, in general, welcomed in the Territory, although some Saints have expressed concern about the environmental impact on the island. The proposed airport will be located on Prosperous Bay Plain on the eastern side of the island. The airport will have a runway 2,250 metres long, which

[10] Ibid., 15 April 2005.
[11] Ibid., 10 June 2005.

is sufficient to support the landing of long-haul jet aircraft, including the Airbus A320 and Boeing 737-800.[12] The airport is expected to service 7,000 passengers (including 1,500 tourists) in the first year and 15,000 passengers (including 8,000 tourists) within five years.

3. Communications

35. In January 2008, Broadband Internet access was introduced on St. Helena.

4. Utilities

36. As mentioned above in paragraph 24 under DFID-funded projects, work is under way to upgrade and extend the island's electricity distribution system and additional wind turbines are being installed. St. Helena's wastewater systems are also being upgraded.

E. Banking and credit

37. In December 2007, the Attorney General's Chambers published a draft Financial Services Bill and a Money Laundering Bill. The bills aim to ensure that St. Helena complies with international obligations, while safeguarding St. Helenians from fraudulent financial service providers. For more information on that sector, see the 2005 working paper (A/AC.109/2005/14).[13]

F. Tourism

38. The St. Helena Tourist Office has been boosting its efforts to market St. Helena as a tourist destination with the limited resources available. Its 10-year tourism strategy focuses on four essential elements: planning, investment, delivering quality tourist services and promotion. Leading international tourism consultants have been working with St. Helena representatives to develop a strategy that encompasses all four elements.[14] In January 2007, a new tourism and investment policy became effective, and a Tourism Commissioner will take up a two-year appointment in July 2008. The Commissioner will, inter alia, be required to develop a project memorandum to secure funding for tourism development on the island. The St. Helena tourist industry is currently also based around the promotion of Napoleon Bonaparte's imprisonment on the island where he was held from 1815 until his death in 1821.[15]

39. In 2005, St. Helena experienced a small increase in so-called environmental tourism, thanks to the Territory's unique attractions. According to the administering Power, an estimated 1,500 passengers on cruise ships visited St. Helena in 2005 for these and other reasons. Once the airport becomes operational, St. Helena will encourage more visits from cruise ships by emphasizing that the airport will

[12] *St. Helena Independent*, 18 November 2005.
[13] *St. Helena Herald*, 4 January 2008.
[14] Ibid., 7 October 2005.
[15] www.wikipedia.org/wiki/St._Helena.

facilitate passengers leaving or joining a cruise at the island.[16] The possibility for developing sport fishing tourism is also good on the island.

40. In July 2005, the St. Helena Leisure Company (Shelco), announced that it planned to invest £40 million in the Territory, including in the construction of a tourism resort with a new 18-hole course which would be the island's second golf course. Shelco's land purchase was given approval in July 2007, following concerns over the impacts on local hoteliers, and pending new tourism and investment policies. The approval, however, is subject to conditions which seek to ensure that the land be used to develop a five star accommodation and related facilities. The St. Helena Government wishes to see the development opened as soon as possible after the construction of the airport.[17]

41. A Land Development Control Plan was published in January 2007 following extensive public consultation. A Land Disposal Policy was also approved. That policy has subsequently been reviewed following public consultation and a revised version will be issued in January 2008. The policy provides guidance to the public and members of the public service in dealing with applications for the purchase or lease of Crown land for commercial or residential use.

42. The anticipated growth in tourism, particularly in connection with a new airport, has raised the challenges of how to reconcile economic growth with sustainable development, and the life cycle of tourism destinations with the impact on the local population and economy. The issue of sustainable development has been championed by a non-governmental organization known as *The Voice*. Formed in response to the March 2005 announcement of the airport construction, the organization highlights issues for the St. Helena Government to consider when setting the development agenda. Most of the concerns appear to have been taken into account with the formulation of the new investment and tourism policy.[16]

IV. Social conditions

A. General

43. As indicated by a team of representatives from DFID and the Foreign and Commonwealth Office negotiating St. Helena's 2001-2003 country policy plan, measured by international norms St. Helena is a middle-income country with few signs of real material poverty. This is largely the result of the all-encompassing Government safety net, which guarantees everyone a minimum standard of living, and to social networks, which encourage the distribution of income among kin, most notably in the form of remittances.

44. The ageing population has created an increasing need for substantial investment in a new elderly care programme that includes sheltered housing and an elderly community care complex. There is currently one residential home called "The Haven" which provides both full-time and respite care.[16] There are currently 650 elderly people in the Territory who live on social benefits.[4]

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[16] St. Helena Investment and Tourism Policies, Government of St. Helena, November 2006.

[17] *St. Helena Herald*, 13 January 2007.

45. According to information provided by the administering Power, a new Welfare of Children Bill is with the legal department and it is hoped that it will go through further consultation processes to be ready for use in 2008. The new legislation will change the strategic management structure for safeguarding children and young people on St. Helena. New policies and procedures are already being developed and used in principle for child protection and safeguarding the welfare of children.[4] This new legislation once in effect, will fulfil St. Helena's obligation under the Convention on the Rights of the Child and the International Covenant on Civil and Political Rights.

46. One of the four pillars in the Sustainable Development Plan is "Care for the Vulnerable", including; the elderly, households headed by single mothers, the disabled, the mentally handicapped and the long-termed unemployed. A social enterprise known as the St. Helena's Active Participation in Enterprise (SHAPE) has been set up to provide training, support and employment opportunities to people with disabilities.[4]

47. There is one general hospital in Jamestown, one psychiatric hospital and six health clinics serving people living in rural areas. In addition, two units cater to patients with behavioural problems and learning disabilities. Statistics of chronic health conditions affecting the population are diabetes, 13 per cent; hypertension, 19.2 per cent; cancer, 1 per cent; and asthma, 2 per cent.[4]

B. Employment

48. The public sector remains the dominant employer in St. Helena. The St. Helena Government is currently looking at standards of practice in employment in anticipation of the economic changes that are expected to ensue from the planned airport. In the Government's view, an employment policy, setting out minimum standards for employment contracts with a built-in measure of protection for local enterprises and organizations, would support local sustainable development. A social development planner is currently preparing the policy from which legislation will be drafted. During this preparatory period, extensive consultations will take place with St. Helenian employers and employees. Public meetings have also been scheduled.[18]

49. In 2003 the Government launched a policy addressing long-term unemployment, under which the Employment and Social Security Department has been working closely with the unemployed to identify their training needs. The training is considered successful as the number of people on the Community Work scheme has been reduced from 176 in 2003, when the policy was introduced, to 46 people in early 2008.[19]

50. By the end of 2007, UNDP phased out a project whose overall objective was to reduce long-term unemployment on St. Helena through a joint private- and public-sector training and work experience scheme. The scheme, begun in 2005, aimed at helping unemployed St. Helenians to find jobs, improve their prospects of remaining employed and enhance their future employment prospects.

[18] Ibid., 18 January 2007 and 8 February 2008.

[19] Ibid., 8 February 2008.

51. Offshore employment has steadily increased and, with it, remittances to the Territory. Approximately 1,100 St. Helenians, or close to 27 per cent of the island's workforce, are employed on Ascension, in the Falkland Islands or in the United Kingdom; their remittances to St. Helena in 2005/2006 totalled £2.6 million.

52. However, as virtually all contracts for offshore employment are for unaccompanied workers, a significant social burden results, owing to the dislocation of families. In addition, the loss of trained staff to better-paid offshore employment makes it necessary to bring in more expatriate workers, in particular nurses and teachers. According to the administering Power, a strategic review conducted by the St. Helena Government showed that remittances from offshore workers were not sustainable and stated that no community could prosper if its biggest export was its people.

53. The St. Helena Public Service Association came into existence in April 2005, its main goal being to aid, assist and promote the welfare and well-being of its membership. The Association is similar to a workers' union and represents the interests of St. Helena Government employees.[20]

C. Education

54. Education is compulsory and free for children between 5 and 15 years of age. Currently there are six schools in operation, including one all-through amalgamated primary school attended by a total of 632 pupils and 69 full-time teachers. By September 2008, following the Department's restructuring process there will be three all-through amalgamated primary schools and one secondary school for students aged 11 to 18. Post-compulsory-aged students opt for either academic or vocational courses.[21]

55. The results of British standardized attainment tests in English, Mathematics and Science at Key Stages 2 and 3 indicate that educational standards have risen over the years. Analyses of examination of Key Stages 4 and 5 have also shown an improvement of educational standards. The Education Department is currently following a reorganization agenda which is intended to address staff attrition issues, falling pupil rolls and greater use of existing resources in order to continue to improve educational standards. Retaining qualified, experienced staff continues to be a challenge.[4] Since 2007, overseas territories citizens have qualified for the home student fee rate at English universities.

D. Environment

56. St. Helena has an environmental conservation programme aimed at preserving endangered species and the diversity of habitats, which are an important part of the Territory's heritage and could potentially increase tourism. In September 2001, the United Kingdom and its territories adopted a set of environment charters setting out for the first time their mutual responsibilities regarding the environment.

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[20] Ibid., 27 January 2007.

[21] Prince Andrew School, St. Helena, www.princeandrew.edu.sh.

57. The World Conservation Union lists 40 per cent of St. Helena's endemic plants as endangered, while other conservationists insist that the actual proportion is higher. Of the approximately 430 endemic invertebrates, some are now thought to be extinct and many are endangered or of conservation concern. St. Helena was once home to nine species of endemic birds, today only one species survives and is classified as critically endangered. With regard to invasive species, St. Helena is in receipt of funds from the European Union's regional envelope to address the issue as part of a project involving all the South Atlantic territories.[4]

58. In December 2005, the United Kingdom engineering and environmental consulting company Faber Maunsell Ltd. conducted a preliminary study on the impact of the new airport on St. Helena's environment. Details of the initial report have not been made available. Faber Maunsell will continue its monitoring activities for the duration of airport-development works to mitigate any potentially negative environmental effects.

59. In December 2007, a Solid Waste Management Project Memorandum relating to the long-term waste management strategy of St. Helena was submitted to DFID. The memorandum deals with waste recycling and the shipping of ferrous materials off the island.[22]

V. Dependencies of St. Helena

A. Ascension

1. General

60. Ascension was discovered by the Portuguese in 1501 and "found" again on Ascension Day in 1503 by Alphonse d'Albuquerque, who named the uninhabited island. Ascension covers an area of 90 square kilometres and is of volcanic origin. In 1815, when Napoleon was a prisoner on St. Helena, a small British naval garrison was stationed on Ascension. The island remained under Admiralty supervision until 1922, when it was made a dependency of St. Helena. From then until 1964, the island was managed by the Eastern Telegraph Company (renamed Cable and Wireless in 1934). In 1964, in view of the plans to establish British Broadcasting Corporation (BBC) and Composite Signal Organization stations, an Administrator was appointed. During the Second World War, the United States Government built the Wideawake airstrip on the island. In 1957, a United States Air Force presence was re-established and the airstrip and ancillary facilities enlarged. It is now the south-east tracking station for the United States Air Force Eastern Test Proving Ground. In 1982, it became the intermediate stop for Royal Air Force flights to and from the Falkland Islands. In 2003, British and United States officials signed the Wideawake Agreement, which opened up the airstrip to civilian charter traffic.

2. Constitutional and political status

61. In March 2007, the elected Councillors on the Ascension Island Council resigned. An attempt to hold a general election was made on 1 May 2007, but only two persons came forward as candidates. In the light of that, and to enable an

[22] *St. Helena Herald*, 7 December 2007.

assessment of the democratic system on the island to be undertaken, the Island Council Ordinance was suspended in May 2007, for one year. At the conclusion of the suspension, it is intended to hold a further general election. Meanwhile, an Advisory Group was appointed to advise the Governor on policy. In addition, public consultations are being held to seek the views of and to encourage the people on the island to participate in the democratic process.[4] Governor Gurr made his first official visit to Ascension Island from 10 to 22 January 2007. While on the island, the Governor had a full programme of meetings, including with a group of heads of major organizations, in an effort to ensure that organizations located on Ascension are satisfied with the Island's operations since they provide vital job opportunities for the Saints residing there.[23]

3. Economic and social conditions

62. A joint meeting between the Foreign and Commonwealth Office/Ministry of Defence team and the Ascension Island Council was held in 2005. The meeting, which was chaired by then-Governor Michael Clancy, addressed the much-debated issue of right of abode and property ownership on Ascension.[24] The final decision on the issue was reached in January 2006, when the United Kingdom Government decided that permanent right of abode and property ownership would not be granted. One of the main concerns for the United Kingdom Government was the tax liabilities that could fall on British taxpayers.[24] Governor Gurr addressed the issue following his visit, noting the difficulty of investing in something one doesn't own. He further indicated that, while not widely welcomed, the issues surrounding abode and ownership were understood and generally accepted as an inevitable "given" in the present socio-economic equation.[25]

B. Tristan da Cunha

1. General

63. The dependency of Tristan da Cunha is composed of four islands: the main island, Tristan da Cunha; Gough; Inaccessible; and Nightingale. Tristan da Cunha, a round volcanic island with an area of 98 square kilometres, is the most remote inhabited island in the world. Its closest neighbours are St. Helena, 2,334 kilometres to the north, and Cape Town, South Africa, 2,778 kilometres to the east. The only settlement on the island is the capital, Edinburgh of the Seven Seas. A team of South African meteorologists live on Gough. Inaccessible and Nightingale are uninhabited.

64. Tristan da Cunha's entire population was evacuated to the United Kingdom for a period of 18 months when the volcano last erupted in 1961, but returned in 1963. Following a series of earth tremors in the summer of 2004, the British Geological Survey was engaged to monitor seismic activity, and provide regular reports, with a view to evacuation preparedness. The DFID-administered contract with the Survey ended in 2006 and was not renewed.

65. As at December 2004, the population of Tristan da Cunha consisted of 275 people divided into approximately 100 households.

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[23] Ibid., 11 January 2008.

[24] Ibid., 23 December 2005.

[25] South Atlantic Remote Territories Media Association, SARTMA.com, 27 January 2008.

2. Constitutional and political status

66. Executive authority for Tristan da Cunha is exercised by the Governor of St. Helena. A resident Administrator is appointed by the Governor and is responsible to him. The Administrator is advised by an Island Council, led by the Chief Islander and comprising eight elected members (including at least one woman) and three appointed members. Elections are held every three years. All registered voters over 18 years of age are eligible to vote. According to information provided by the administering Power, Tristan da Cunha was not consulted during the 2005/2006 constitutional debate on St. Helena.

67. Tristan da Cunha has its own legislation, but St. Helena law applies to the extent that it is not inconsistent with local law, insofar as it is suitable for local circumstances and subject to such modifications as local circumstances make necessary. As a last resort, the laws of England and Wales apply. There is one full-time police officer and two special constables. The Administrator also serves as the Magistrate.

3. Economic and social conditions

68. Tristan da Cunha's economy is based on traditional subsistence farming and fishing. Earnings from the commercial Tristan da Cunha rock lobster industry, and the sale of postage stamps, coins and souvenirs, are used to fund health, education and other government services. Islanders also supplement their income by providing accommodation and guided tours to infrequent visitors and from the sale of handicrafts.

69. Good fisheries management has improved lobster stocks, and the annual quota is gradually increasing. But because the product is sold in United States dollars, movements in the exchange rate together with rising oil prices have reduced income. Island Councillors are currently considering a proposal by the concession holder to extend the existing concession to 2026.

70. Access to Tristan da Cunha is only possible by sea. Presently the harbour is in a poor state of repair and can only be used when weather and sea conditions are suitable, with cruise ships often unable to land passengers. Any further deterioration in the condition of the harbour may also have implications for the fishing industry, which relies on 30 to 70 fishing days per annum for additional income and food. Accordingly, European Union funding has paid for a study of harbour rehabilitation, and a joint DFID/Foreign and Commonwealth Office/Ministry of Defence will see seven Royal Engineers arrive in early 2008 on a reconnaissance study, followed shortly thereafter by 50 Royal Engineers to undertake repairs.[26]

71. Access is mainly provided by two fishing vessels operated by the South African company Ovenstone, which holds the fishing concession for Tristan da Cunha lobster, and by the SS *Aghulas*, a South African research vessel which services their weather station on Gough Island. Between them they visit Tristan da Cunha eight or nine times a year, operating a passenger and freight service. The journey between Cape Town and Tristan da Cunha usually takes from five to seven days.[26]

[26] *St. Helena Herald*, 25 January 2008.

72. Tristan da Cunha is now enjoying excellent telecommunications with the outside world, following the installation of an improved telephone network early in 2007. Calls to and from United Kingdom and elsewhere cost little more than one pence a minute. An Internet café offers islanders easy access to the Internet.[26]

73. According to information provided by the administering Power, for many years Tristan da Cunha has spent substantially more than it has earned, leading to a drain on its reserves. Other contributory issues are inexperience of financial management and poor communication with London.[4] Rising costs such as fuel prices and offshore medical treatment have exacerbated the problem.[4]

74. The DFID annual allocation (approximately £250,000) funds the health-care project (resident doctor plus annual dental and optician visits), together with a modest training programme. According to the administering Power, more training (both on and off island) and technical assistance, particularly in revenue-earning and import-substitution activities, might help to slow the economic decline.[4]

75. Since the United Kingdom Overseas Development Administration withdrew expatriate British teachers in the early 1990s, the education sector on Tristan da Cunha has been in decline, and the current standard is considered poor. Pupils leave school at age 16 and tend to work in Government or the fishing sector. They have no opportunity to proceed to further education unless they go abroad. The current staff, who by their own admission are poorly trained, are all middle-aged and there are no trainee teachers in the pipeline. The Island Council judge that reform and improvement in this sector are key to a successful future.

76. Tristan da Cunha is successfully implementing a number of conservation projects, with help from its partners such as the Royal Society for the Protection of Birds. These include Overseas Territory Environmental Programme projects to remove invasive species from uninhabited islands in the Tristan da Cunha group, and also studies on the feasibility of eradicating introduced rodents. Tristan da Cunha also has a Biodiversity Action Plan to help it to meet its commitments under the relevant Convention.[4]

VI. Future status of the Territory

A. Position of the territorial Government

77. The position of the territorial Government regarding the future status of St. Helena is reflected under section II on constitutional issues.

B. Position of the administering Power

78. In a statement made at the 5th meeting of the Special Political and Decolonization Committee (Fourth Committee), held on 11 October 2007, during the sixty-second session of the General Assembly (see A/C.4/62/SR.5), the representative of the United Kingdom inter alia said that "her Government, as administering Power for 10 Non-Self-Governing Territories, gave every help and encouragement to those Territories which wished to proceed to independence, where that was an option. Her Government and its overseas territories continued to work towards the shared goals of security, stability and sustainable political and economic development, democracy, good governance and the rule of law. … Her Government

carefully considered all proposals for constitutional change received from the Territories."

79. As previously reported (see A/AC.109/2007/3), in a statement made on 24 April 2006, the United Kingdom Overseas Territories Minister took stock of the relationship between the United Kingdom and the Overseas Territories seven years on from the 1999 White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories."[27] An elaboration of the United Kingdom's position on alternative forms of relationship, as set out in General Assembly resolution 1541 (XV), has been previously provided (ibid.).

VII. Action by the General Assembly

80. On 17 December 2007, the General Assembly adopted, without a vote, resolutions 62/118 A and B, based on the report of the Special Committee transmitted to the General Assembly,[28] which at the time reflected a situation of high unemployment on the island, and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee) (A/62/412). Section IX of resolution 62/118 B concerns St. Helena. Under that section's operative paragraphs, the General Assembly:

> 1. *Welcomes* the continuing constitutional review process and the consultative poll led by the Government of Saint Helena in cooperation with the administering Power;
>
> 2. *Also welcomes* the decision by the administering Power to provide funding for the construction of an international airport on Saint Helena to become operational in 2011-2012, including all required infrastructure;
>
> 3. *Requests* the administering Power and relevant international organizations to continue to support the efforts of the territorial Government to address the socio-economic development challenges, including the high unemployment and the problems of limited transport and communications, as well as to support the additional infrastructure required for the airport project;
>
> 4. *Calls upon* the administering Power to take into account the concerns of Saint Helenians with regard to the right to nationality.

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[27] "Partnership for Progress and Prosperity: Britain and the Overseas Territories", White Paper submitted to the House of Commons on 17 March 1999, by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs; reproduced in A/AC.109/1999/1, annex.

[28] *Official Records of the General Assembly, Sixty-second Session, Supplement No. 23* (A/62/23).

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Anguilla

Working paper prepared by the Secretariat

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I. General

1. Anguilla is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory lies 240 kilometres east of Puerto Rico, 113 kilometres north-west of Saint Kitts and Nevis and 8 kilometres north of St. Maarten/St. Martin. The Territory has a relatively flat topography, a total area of 96 square kilometres and includes several offshore islets. The main island has a maximum length of 26 kilometres and a maximum width of 5 kilometres. The capital of Anguilla is The Valley, where 43 per cent of the population resides.

2. An estimate of July 2007 puts Anguilla's population at 13,677, with an annual population growth rate of approximately 1.4 per cent.[1] There are several thousand Anguillians living abroad, in particular in the United Kingdom, the United States of America and the United States Virgin Islands. Of the total population, 99 per cent speaks English. Spanish or Chinese are the most common mother tongues among non-English speakers.

II. Constitutional, legal and political issues

3. Originally inhabited by the Arawaks, Anguilla was first colonized by British settlers in 1650. For administrative purposes, it was associated with Saint Kitts and Nevis from 1871 to 1980. Following the dissolution of the Federation of the West Indies in 1962, Saint Kitts-Nevis-Anguilla became a State in association with the United Kingdom. Following a number of demonstrations demanding secession from Saint Kitts and Nevis, in the referendum held in July 1967, the vote was 1,813 to 5 in favour of secession. Further demonstrations and protracted negotiations were followed by the intervention of British security forces in 1969 and the Anguilla Act of 1971, under which the United Kingdom reassumed direct responsibility for the administration of the Territory, appointed a Commissioner and provided for the establishment of an Island Council. A separate Constitution came into effect in February 1976. In 1980, at Anguilla's request, arrangements were made by the Government of the United Kingdom for the Territory to be withdrawn formally from the Associated State of Saint Kitts-Nevis-Anguilla and become a separate dependency of the United Kingdom.

4. In 1981 further constitutional talks between the Governments of Anguilla and the United Kingdom were held. Under a new Constitution, while not providing for a full measure of internal self-government, a substantial degree of additional local responsibility would be granted to the Government of Anguilla. The Anguilla House of Assembly approved the new Constitution and the United Kingdom enabled the Anguilla (Constitution) Order to come into force on 1 April 1982.

5. According to the Anguilla Constitution Order, which was amended in 1990, the Government of Anguilla consists of a Governor, an Executive Council and a House of Assembly. The Governor, who is appointed by the United Kingdom, is

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Note: The information contained in the present working paper has been derived from published sources, *including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 e of* the Charter of the United Nations.

[1] *CIA World Factbook, 16 January 2008.*

responsible for defence, external affairs, internal security, including the police and prison services, international financial services, public service appointments and the application to public servants of their terms and conditions of service. On all other matters, the Governor is required to consult with and act on the advice of the Executive Council. The Executive Council consists of the Chief Minister, not more than three other ministers and two ex officio members (the Attorney General and the Deputy Governor). The Governor acts as Chairman. The House of Assembly is elected for five-year terms. It comprises a Speaker, seven members elected from single-member constituencies, the same two ex officio members as in the Executive Council and two members nominated by the Governor, one of whom is appointed upon the advice of the Chief Minister and the other after consultation with the Chief Minister and the Leader of the Opposition, as appropriate.

6. The current Governor, Andrew N. George, took office in July 2006, having previously worked in the Human Resources Directorate of the United Kingdom Foreign and Commonwealth Office.

7. General elections, held on 21 February 2005, saw the return of the United Front Government, an alliance of the Anguilla Democratic Party and the Anguilla National Alliance, under Osbourne Fleming, with four seats. The Anguilla Strategic Alliance won two seats and the Anguilla United Movement one seat. Shortly afterwards, an opposition member crossed the floor, giving the Government five out of seven elected members in the House of Assembly. Given the even number of seats thus held by each opposition party, it was not possible for the Governor to appoint a Leader of the Opposition. The next elections are due in 2010.[2]

8. The law of Anguilla is the common law of the United Kingdom, together with all legislation inherited from the former associated State of Saint Kitts-Nevis-Anguilla up to August 1971 and the local legislation enacted since. The law is administered by the Eastern Caribbean Supreme Court, which comprises a Court of Appeal and a High Court of Justice, courts of summary jurisdiction and a magistrates court. Consolidated texts of all Anguilla's legislation up to 2004 are available in hard copy and computer disk from the Territory's Attorney General Chambers.[2]

9. The basis of the relationship between the United Kingdom Government and its Non-Self-Governing Territories is set out in the White Paper, entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories", published in March 1999.[3] The British Overseas Territories Act 2002, which came into force on 21 May 2002, abolished the terms "colony" and "dependent territory" and granted the right of British citizenship to "British Overseas Territory citizens".

10. In early 2006 the territorial Government established a Constitutional and Electoral Reform Commission to reinvigorate the constitutional review process. This was to take into account the efforts of the Committee for Constitutional and Electoral Reform set up in 2001, which did not finish its work and made no recommendations for reform. The Commission was chaired by retired Eastern Caribbean Supreme Court Justice Don Mitchell, and presented its report to the

[2] Information provided by the administering Power, 16 January 2008.

[3] "Partnership for Progress and Prosperity: Britain and the Overseas Territories", White Paper submitted to the House of Commons on 17 March 1999 by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs; reproduced in A/AC.109/1999/1, annex.

territorial Government in July 2006. The report is presented as a set of recommended changes to the current constitution, designed to provide the Territory with more internal self-governance. According to its report, the Commission found that Anguillians were generally satisfied with the 1982 Constitution, which provided them with a large degree of autonomy, external (United Kingdom) forces for defence, and overseas representation by the Foreign and Commonwealth Office. Furthermore, the report stated that there was one small group in the Territory that favoured independence. The Government has considered the recommendations, consulted with members of the House of Assembly and the public through a series of meetings, and is in the process of making further recommendations to the United Kingdom Government.[4]

11. Speaking before the United Kingdom House of Commons Foreign Affairs Committee on 3 December 2007, in reply to a question as to when constitutional talks would restart, the Chief Minister stated that it was hoped they would start again in January 2008. They had not begun in September 2007 as expected, since the people of Anguilla had decided to revisit the Commission's recommendations. The feeling that emerged from that process, according to the Chief Minister, was that Anguilla should have full internal self-government. It was on that basis that the process would move forward.

12. In reply to a question on Anguilla's relationship with its Governor, the Chief Minister inter alia stated: "As elected Members, we feel that the time has come when senior appointments should not be made with the consultation of the Governor, but with the advice of the elected Members." In addition, the Chief Minister stressed the need for a fifth minister in the territorial Government.[5]

III. Budget

13. In Anguilla, the fiscal year corresponds to the calendar year. In December 2007, the Minister of Finance presented the 2008 Budget to the House of Assembly. In his presentation, he highlighted the areas where targets were achieved or surpassed within the fiscal plan, including recurrent revenues (in particular import duty, stamp duty, and accommodation tax) and contributions to fiscal reserves. The Minister outlined the need to consolidate the gains that had been made, while addressing various social challenges. The recurrent expenditure for 2008 was projected at approximately East Caribbean (EC)$ 255 million, with capital expenditure projected at approximately EC$ 53 million. This would be financed by recurrent revenue of over EC$ 238 million, and borrowing of up to EC$ 17 million to finance a number of projects. At the time the 2008 Budget was presented to the House of Assembly, reserves stood at EC$ 40.7 million, compared to the target of EC$ 32.2 million for the year.[6]

[4] Information provided by the administering Power, 16 January 2008; *The Anguillian*, 20 April 2007.

[5] Osbourne Fleming, Uncorrected transcript of oral evidence to be published as HC 147-i, House of Commons, Minutes of evidence taken before the Foreign Affairs Committee, Overseas territories, Monday 3 December 2007, http://www.publications.parliament.uk/pa/cm200708/cmselect/cmfaff/uc147-i/uc14702.htm.

[6] Information provided by the administering Power, 16 January 2008; Budget Address 2008, http://www.gov.ai.

14. The Minister of Finance further indicated that the rapid pace of economic development was being closely monitored to help the territorial Government to curb inflationary pressures and to protect real incomes. The unprecedented historical level of growth was not sustainable as the economy was already experiencing severe shortages in labour and rising wage inflation.[6]

15. According to the administering Power, bilateral aid from the United Kingdom Department for International Development (DFID) ceased with effect from 31 March 2005 because of the improvement in Anguilla's per capita gross domestic product (GDP) ratio. Despite the cessation of bilateral aid, Anguilla can still benefit from the DFID regional aid programme for the United Kingdom Overseas Territories in the Caribbean.[2]

IV. Economic conditions

A. General

16. In recent years, economic activity in Anguilla has steadily increased, largely based on the tourism sector. According to the administering Power, GDP has grown at an average annual rate of 6.1 per cent during the five-year period 2001 to 2005. GDP for 2006 was approximately EC$ 281 million, an increase of about 15 per cent from the revised figure of EC$ 245 million in 2005. The per capita GDP amounted to EC$ 29,835 (US$ 11,132). Preliminary estimates for 2007 indicate that GDP growth would again be in excess of 10 per cent. The Ministry of Finance projected a recurrent surplus of over EC$ 38 million for 2007, which would continue a trend of recurrent surpluses since 2004.[6]

17. Tourism (hotels and restaurants); banking and insurance; construction; and government services were the major contributors to economic activity, accounting for approximately 33 per cent, 17 per cent, 16 per cent and 12 per cent, respectively, of GDP in 2006. GDP is projected to grow in excess of 10 per cent in 2007, driven primarily by activity in the tourism and construction sectors as major US$ 500 million and US$ 250 million resort and residence projects continue.[6]

18. At the same time, inflation has risen over the past few years. According to the administering Power, the territorial Government is aware of the need to monitor inflation and manage the economy so that inflation does not get out of control.[2]

B. Tourism

19. Luxury tourism continues to be central to Anguilla's economy. Pursuing a "low volume, high value" tourism strategy, the Executive Council recently approved a two-year tourism sector development project, which includes contracting the services of a tourism planning consultant to be attached to the Ministry of Tourism; conducting an Economic Social Impact Analysis of the 4,500 tourism rooms projected to be available by 2020; and coordinating the Tourism Master Plan Study 2010-2020, to be completed by July 2009.[7] Three major private sector projects are

[7] Budget Address 2008; http://www.gov.ai.

under construction, one owned by a local company and another relying on local labour, with the third foreign owned and comprising mostly migrant workers.[8]

20. The marketing and promotional activities of the Anguilla Tourist Board and the Anguilla Hotel and Tourism Association are reported to have had a positive impact on the industry. Anguilla has benefited from increased market awareness and media attention as an up-market tourism and honeymoon destination. Efforts have also been made by the "Charming Escapes" programme to highlight quality mid-market and budget accommodations on the island, and promote small indigenous businesses. Anguilla is developing an active real estate sector aligned to the new resort and residential tourism projects.[9]

C. Financial services

21. According to the territorial Government's website, Anguilla's financial services sector has experienced significant growth in the areas of international licenses, offshore banking and mutual funds. The industry now includes 4 commercial banks, 44 offshore businesses, and 53 trust companies, among others.[10]

22. Anguilla entered the field of financial services relatively late and has a small international finance sector, specializing in trust and company registration. There are no income, estate or capital gains taxes.

23. Anguilla's Financial Services Commission, established in 2004, is an independent regulatory body that focuses on licensing, supervision of licensees, monitoring of financial services in general, reviewing existing financial services legislation and making recommendations for new legislation, as well as maintaining contact with appropriate foreign and international regulatory authorities.

24. As previously reported (see A/AC.109/2007/8), the Territory has in place effective anti-money-laundering legislation, including the Proceeds of Criminal Conduct Act, 2000; the Money Laundering Reporting Authority Act, 2000; the Anti-Money Laundering Regulations; the Guidance Notes on the Prevention of Money Laundering; and the Criminal Justice Act. The Government of Anguilla reviewed and amended its Proceeds of Crime legislation and other areas of anti-money-laundering regulation to ensure compliance with the requirements of the international regulatory bodies, in particular the revised 40 recommendations of the Financial Action Task Force on Money Laundering, as well as the eight special recommendations on terrorist financing.[2]

D. Agriculture and fishery

25. According to the administering Power, the Government continues to implement plans for institutional strengthening and human resource development in order to effectively manage the fisheries and other marine resources of the island.

[8] *The Anguillian*, 7 May 2007. The number of visitor arrivals increased from 143,186 in 2005 to 167,245 in 2006, http://gov.ai/statistics/Jun_August.htm.

[9] Information provided by the administering Power, 16 January 2008; http://www.anguillanews.com, 15 January 2008.

[10] http://www.gov.ai, 25 April 2007.

The Marine Parks Project which commenced in July 2005 was completed in February 2007. The project involved conducting underwater rapid ecological assessments within all five of Anguilla's marine parks, to assess habitat characteristics, as well as the diversity, abundance, and size of fish species. The findings showed that Anguilla has important reef systems and generally healthy populations of fish.[11]

26. Agricultural activity in Anguilla is limited owing to a combination of poor soil and irregular rainfall. Nevertheless, agriculture continues to play a part in the livelihood of the local population. In 2006, agriculture (including fishing, crops and livestock) contributed about 2.4 per cent to GDP.[2]

27. In response to demand for vegetables in the tourism sector and the increasing number of retail outlets, a growing number of small farmers have invested in drip irrigation technology for intensive farming. A hydroponics farm using mineral nutrient solutions instead of soil was developed in Anguilla, which provides fruit and vegetables for a holiday complex.[12] According to the administering Power, an active Farmers' Association is cooperating with Government technical officers to increase production of green vegetables and reduce the island's food import bill.

28. Anguilla's fisheries and marine resources hold the potential for the diversification of the tourism-dependent economy. In terms of commercial fishing, studies have shown that deep-sea fishing resources in the Anguilla 200-mile exclusive economic zone can be harnessed in a sustainable manner to satisfy markets locally and regionally.[2]

E. Infrastructure

29. Anguilla has undertaken several projects throughout the island including roadworks, port development, schools development and other national infrastructure needs, that fall under the immediate responsibility of the Ministry of Infrastructure, Communications, Utilities and Housing.[13]

30. Anguilla has approximately 150 kilometres of roads, of which 80 kilometres are paved. According to the administering Power, the improvements of roads and the various seaports continued in 2007. During 2008-2009 the main town roads in The Valley will be reengineered and resurfaced. The 2008 budget allocated EC$ 16.3 million to the Ministry of Infrastructure, Communications, Utilities and Housing, designated for road related developments.[6]

31. Master Plan studies for the design and construction of new terminal buildings for the new Blowing Point Port and for the utilization of lands at Corito for a proposed modern deep-water container port were started in 2007. The new jetties at Blowing Point were completed in 2007.[2]

32. According to the administering Power, capital expenditure on the air transport sector is anticipated to continue with the support of the European Union. Improvements were made to the Wallblake Airport. Aircraft movements, especially

[11] Information provided by the administering Power, 16 January 2008; http://www.anguillian.com, 20 February 2008.

[12] http://www.cuisinartresort.com, 20 February 2008.

[13] Carribeannetnews.com, 13 February 2008.

in the private jet sector, continued to increase in 2007, creating the need for better refuelling facilities for aircrafts. This resulted in the Government providing a license for a bulk refuelling station at the airport.[2]

F. Communications and utilities

33. Anguilla has a modern internal telephone system and a microwave relay to St. Maarten/St. Martin for international calls, with competition in mobile, landline and Internet services.

34. The territorial Government is in the process of implementing the Water Corporation Act of 2007, which is regulated by the Public Utilities Commission. The Anguilla Electricity Company purchased two new 5-megawatt generators, which ensures an improved power supply to its customers, and has also started the process of purchasing two additional generators to keep up with energy demand.

V. Social conditions

A. General

35. Living standards and social indicators in Anguilla compare favourably with those of other countries in the region. The literacy rate is 95 per cent. In 2007, the life expectancy at birth for females was estimated to be 80.5 and 74.5 for males. Anguilla has had a social security scheme since 1982.

36. In the 2008 Budget Address delivered by the Minister of Finance in December 2007, the territorial Government recognized the challenges in social development that have accompanied economic growth. The top five social concerns were crime, drug use and abuse among youth, youth deviancy, cost of living, and breakdown of the family. According to that statement, the territorial Government was striving to balance the expectations and development aspirations of the people of Anguilla with the future impact of decisions taken, namely, meeting the challenge of sustainable development. While acknowledging the existence of certain social problems, the Minister said that progress was being made with the implementation of programme objectives that would eventually bear fruit, including in the area of poverty reduction. A National Assessment Team for the conduct of the Country Poverty Assessment had been formed and training for its members had begun. The Assessment is expected to begin in 2008.[7]

B. Education

37. Education in Anguilla is free and compulsory between the ages of 5 and 17 delivered through a system from the pre-primary to the post-secondary level. There are 11 private preschools in Anguilla, of which 10 are subsidized by the territorial Government for children between the ages of 3 and 5 years. According to the administering Power, enrolment stands at 413. Children between the ages of 5 and 12 years attend primary school. There are six public and two private primary schools. Special education services are provided at centres attached to two of the larger primary schools. Present enrolment in the primary sector is 1,654.[2]

38. The territorial Government, through the Minister of Infrastructure, is committed to completing the construction of the Alwyn Allison Primary School in West End, with additional features including a library and auditorium; the development of the Morris Vanterpool School; and the commencement of a new primary school for the Island Harbour District.[13]

39. Secondary education in Anguilla is provided at two campuses of the only secondary educational institution on Anguilla, the Albena Lake-Hodge Comprehensive School. According to the administering Power, alternative skills programmes are offered at the refurbished old hospital and a Pupil Referral Unit has been established at another site. There are some 1,071 students currently enrolled at the school.[14]

40. The Adult and Continuing Education Unit of the Department of Education and the University of the West Indies Distance Education Centre (UWIDEC) provide tertiary education in Anguilla, offering primary and secondary teacher training and basic skills training programmes. The UWIDEC extension campus in Anguilla offers a range of distance education programmes to students on Anguilla, based on the system used by the University of the West Indies. A National Community College was established in 2007, and will be a priority in 2008 as the Territory responds to the increasing shortage of skilled personnel in the critical hospitality and construction sectors. A Community College Implementation Unit was set up in the latter part of 2006 and currently manages the College.[2]

C. Public health

41. The 2008 budget makes provision for EC$ 24 million for the Health Authority. Capital estimates for the development of health services in 2008 amount to approximately EC$ 2 million, while EC$ 2.7 million has been allocated for the capital development of the National Health Fund. As previously reported, the territorial Government has announced plans to introduce a levy to establish a National Health Insurance scheme. That legislation is being drafted for enactment in 2008.[15]

42. There are five health centres in the island's three health districts. The territorial Government's health priorities, set out in the strategic plan for health for 2003-2008, include the continued strengthening of primary and secondary health-care services; development of the Health Protection and Quality Assurance Department of the Ministry of Health, dealing with environmental health, water quality monitoring, solid waste disposal services and the regulation of public and private health services; expansion of mental health and psychiatric services; care of the elderly, as well as prevention and treatment of HIV/AIDS and other communicable and non-communicable diseases.[14]

43. The Board of the Health Authority of Anguilla, installed in December 2003, took over responsibility for all primary, secondary and personal health-care services in January 2004. The Ministry of Social Development is charged with regulating and monitoring public and private health sectors, including the Health Authority of

[14] Information transmitted by the administering Power, 9 January 2007.
[15] Information provided by the administering Power, 16 January 2008; www.lachealthsys.org.

Anguilla, performing policymaking, regulatory and purchasing roles in relation to health services.[14]

D. Crime

44. The crime rate in Anguilla is low by regional and international standards, but growing. In December 2007, addressing the United Kingdom House of Commons Foreign Affairs Committee, the Chief Minister said that the Territory had seen "an unusual level of crime", citing murder and larceny as examples.[5]

45. Steps are being taken to counter that trend. For instance, according to the administering Power, a Drugs and Firearms Task Force was formed in 2006 with the assistance of the United Kingdom, using experienced retired police officers from the United Kingdom to work together with members of the Royal Anguilla Police Force (RAPF). By the end of 2007, the Task Force had been entirely funded by the territorial Government. The United Kingdom continues to assist in training and capacity-building of RAPF, including the anticipated recruitment of a retired police officer in 2008 to head a new Financial Crime Unit within RAPF; scene of crime training; providing an evidence-collecting vehicle; installing computerized and immigration and customs facilities at the ferry port; installing a closed circuit television and security system at a prison facility, and the management of prison services.[16]

46. Moreover, according to the 2008 Budget Address, construction of the short- and medium-term Juvenile Rehabilitation Centre was more than halfway completed. A Manager for the Centre had been hired and the Territory's Department of Probation was currently recruiting the rest of the staff for the Centre. The Department of Probation had served over 100 clients since it was established in 2005 and 90 per cent of probation clients were compliant with probation orders. All juvenile probationers were attending school and over 95 per cent of adult probationers were employed.[7]

VI. Relations with international organizations and partners

47. Anguilla is a member of the Eastern Caribbean Central Bank and an associate member of the Organization of Eastern Caribbean States, the Association of Caribbean States, the Economic Commission for Latin America and the Caribbean, and the Caribbean Community and Common Market.

48. As a Non-Self-Governing Territory of the United Kingdom, Anguilla is associated with the European Union but not a part of it. The Territory has yet to establish its relation to the European Union's Economic Partnership Agreement.[2]

49. The United Kingdom and those Overseas Territories represented at the 2007 Consultative Council, including Anguilla, agreed to extend the United Nations Convention against Corruption, to all the Overseas Territories at the earliest opportunity, as well as to set a date of June 2008 for the extension of the International Labour Organization Convention concerning the Prohibition and

[16] Information provided by the administering Power, 16 January 2008; Anguilla profile, www.fco.gov.uk, accessed on 8 February 2008.

Immediate Action for the Elimination of the Worst Forms of Child Labour (Convention No. 182), and December 2008 for the extension of the Convention on the Elimination of All Forms of Discrimination against Women, to all the Overseas Territories.[17]

50. The Government of Anguilla cooperates directly with other Caribbean Governments and participates in regional projects of various international organizations and agencies.[2] For instance, a Caribbean-wide "catastrophe insurance pool" established by the World Bank, has acquired US$ 47 million in funds to assist the Caribbean, including Anguilla, in the event of a hurricane or earthquake.[18]

VII. Future status of the Territory

A. Position of the territorial Government

51. Developments on constitutional reform efforts involving the future status of Anguilla are referred to in section II, "Constitutional, legal and political issues".

B. Position of the administering Power

52. In a communication dated 16 January 2008, the administering Power provided the information set out below:

> "United Kingdom Ministers have made it clear that as long as the Territories wish to retain links with the United Kingdom, the United Kingdom Government will retain sufficient powers, including through the Governor, to ensure the implementation of international obligations, to protect itself against contingent liabilities, and to ensure the good governance of the Territory including maintaining the independence of the judiciary, the administration of justice and the political impartiality of the public service."[2]

53. In a prior statement made at the 5th meeting of the Special Political and Decolonization Committee (Fourth Committee), held on 11 October 2007, during the sixty-second session of the General Assembly (see A/C.4/62/SR.5), the representative of the United Kingdom inter alia said that "her Government, as administering Power for 10 Non-Self-Governing Territories, gave every help and encouragement to those Territories which wished to proceed to independence, where that was an option. Her Government and its overseas territories continued to work towards the shared goals of security, stability and sustainable political and economic development, democracy, good governance and the rule of law. ... Her Government carefully considered all proposals for constitutional change received from the Territories."

54. Moreover, as previously reported (A/AC.109/2007/3), in a statement made on 24 April 2006, the United Kingdom Overseas Territories Minister took stock of the relationship between the United Kingdom and the Overseas Territories seven years on from the 1999 White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories".[3] An elaboration of the United Kingdom's

[17] www.fco.gov.uk, press release, 6 December 2007.
[18] United Press International, 27 February 2007.

position on alternative forms of relationship, as set out in United Nations General Assembly resolution 1541 (XV), has been previously provided.[19]

C. Action taken by the General Assembly

55. On 17 December 2007, the General Assembly adopted, without a vote, resolutions 62/118 A and B, based on the report of the Special Committee transmitted to the General Assembly[20] and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee) (A/62/412). Section II of resolution 62/118 B concerns Anguilla. Under that section's operative paragraphs, the General Assembly:

> "1. *Welcomes* the establishment of a new Constitutional and Electoral Reform Commission, the issuance of its report in 2006 and the holding of public and other consultative meetings early in 2007, with the aim of making recommendations to the administering Power on proposed changes to the Constitution in place in the Territory;
>
> "2. *Stresses* the importance of the previously expressed desire of the territorial Government for a visiting mission by the Special Committee, calls upon the administering Power to facilitate such a mission, if the territorial Government so desires, and requests the Chairperson of the Special Committee to take all the necessary steps to that end;
>
> "3. *Requests* the administering Power to assist the Territory in facilitating its work concerning public consultative outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations, and calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested, in the context of its public consultative outreach efforts."

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[19] "A Successful Future", Lord Triesman Speech, Turks and Caicos Islands, 24 April 2006 (www.fco.gov.uk); see also A/AC.109/2007/8, para. 65.

[20] *Official Records of the General Assembly, Sixty-second Session, Supplement No. 23* (A/62/23).

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Gibraltar

Working paper prepared by the Secretariat

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I. General

1. Gibraltar[1] is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory is a narrow peninsula extending southward from the south-west coast of Spain, to which it is connected by an isthmus about 1.6 kilometres long. The Spanish port of Algeciras lies 8 kilometres across the bay to the west; the continent of Africa is situated 32 kilometres across the Strait of Gibraltar to the south. According to the administering Power, the area of Gibraltar is 5.9 square kilometres, and according to Spain, which claims sovereignty over the Territory, it is 4.8 square kilometres. Issues relating to the water off Gibraltar are also a subject of contention. In 2006, the Territory had a population of 28,875, comprised of 23,447 Gibraltarians and 5,428 people from throughout Europe and North Africa.[2]

II. Constitutional, legal and political issues

2. In accordance with the Gibraltar Constitution Order 2006[3] that came into force on 2 January 2007, the Governor of Gibraltar represents the British monarch in the Territory. The Governor is responsible for the conduct of external affairs, defence, internal security (including the police, in conjunction with the Police Authority for Gibraltar) and for certain appointments as conferred on him by the Constitution. The Governor, together with the Council of Ministers, constitutes the Government of Gibraltar.[3] Following an election, the Governor, acting at his discretion, shall appoint as Chief Minister the elected member of the Parliament who, in his judgement, is most likely to command the greatest measure of confidence among the elected members of the Parliament. The Ministers other than the Chief Minister shall be appointed by the Governor, acting in accordance with the advice of the Chief Minister, from among the elected members of the Parliament.

3. Gibraltar has a Supreme Court allowing for appeals to a Court of Appeal and thence to Her Majesty in Council, acting on the Privy Council's advice. The 2006 Constitution provides for the establishment of a Judicial Service Commission, which was set up under the Judicial Service Act 2007, No. 2007-26.[4] The Judicial Service Commission has executive powers, subject only to an exceptional power of veto by the Governor, to advise the Governor in respect of certain matters, such as the appointments to the offices of the Chief Justice and other members of the judiciary. The Governor, with the prior approval of a Secretary of State, may disregard the advice of the Judicial Service Commission in any case where he judges that compliance with that advice would prejudice the British monarch's service.[3]

4. According to the media, the Judicial Service Act 2007 was seen by the incumbent as diminishing the responsibilities of the Chief Justice.[5] As a result of the

[1] The information contained in the present paper has been derived from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations and from information provided by the Government of Spain and other published sources, including those of the territorial Government.

[2] Information provided by the administering Power, 8 February 2008.

[3] www.gibraltar.gov.gi/constitution.

[4] www.gibraltarlaws.gov.gi/articles/2007-26o.pdf.

[5] www.vox.gi/Politics/Chief_Justice_Leaves_Contested_Courts.htm, 2 March 2007.

ensuing controversy involving this and other issues, the Chief Justice was suspended by the Governor in early 2008. On the advice of the Judicial Service Commission, the Governor subsequently appointed a tribunal under section 64(4) of the Constitution to advise him on whether the question of the removal of the Chief Justice of Gibraltar should be referred to the Judicial Committee of the Privy Council.[6] Three weeks of public hearings into the matter are scheduled to start on 7 July 2008.[7]

5. Under the Gibraltar Constitution Order 2006, the British monarch retains full power to make laws from time to time for the peace, order and good government of Gibraltar. Included in those powers are laws amending or revoking the Constitution. The Constitution Order also makes provisions regarding Crown lands in Gibraltar.

6. According to the 2006 Constitution, the Governor shall dissolve Parliament in preparation for the next general election four years from the date of the first meeting of Parliament after any general election, unless it has already been dissolved.[8]

7. The last general elections in Gibraltar were held on 11 October 2007. The incumbent Gibraltar Social Democratic Party obtained 49 per cent of the vote, followed by the Gibraltar Socialist Labour Party, with almost 32 per cent and the Liberal Party with over 13 per cent. Peter Caruana, leader of the Gibraltar Social Democratic Party, was reappointed Chief Minister of Gibraltar for a fourth term. Joseph Bossano of the Gibraltar Socialist Labour Party continues as leader of the opposition, which comprises the Gibraltar Socialist Party and the Liberal Party.[9]

8. After a 10-year campaign to exercise the right to vote in European elections, in June 2004, Gibraltarians took part in the last European parliamentary elections due to the fact that they were considered by the administering Power to be part of the south-west England region, for electoral purposes.

9. Gibraltar's 2006 Constitution is an outcome of the United Kingdom's White Paper entitled "Partnership for progress and prosperity: Britain and the Overseas Territories", presented to Parliament in March 1999, which spoke of each Territory's need for a constitutional framework to suit its own circumstances.[10] In June 1999, Gibraltar's House of Assembly set up a Select Committee on constitutional reform and on 27 February 2002 formally adopted a report on the matter seeking "maximized self-government".

10. The Chief Minister submitted the Territory's constitutional reform proposals to the Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom on 22 December 2003. Negotiations began in 2005 aimed at modernizing Gibraltar's Constitution in such a way that Gibraltar would remain British, but in a non-colonial relationship with the United Kingdom. The discussions were held exclusively between the United Kingdom and a cross-party representation from Gibraltar, led by the Chief Minister.

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[6] www.panorama.gi, 18 September 2007.

[7] http://business.timesonline.co.uk, 21 February 2008.

[8] http://www.gibraltar.gov.gi/constitution/new_constitution/NewGibraltarConstitution.pdf; gibfocus, 8 November 2007, www.gibfocus.gi.

[9] http://electionresources.org/panorama/archive/2007_10_12_archive.html.

[10] "Partnership for progress and prosperity: Britain and the Overseas Territories", White Paper submitted to the House of Commons on 17 March 1999 by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs; reproduced in A/AC.109/1999/1, annex.

11. On 27 March 2006, the Foreign Secretary of the United Kingdom announced in a written statement to the British House of Commons that the details of a new Constitution had been agreed between the delegations of the United Kingdom and Gibraltar. On 30 November 2006, the Gibraltar constitutional referendum was held and the new Constitution was approved by 60.24 per cent of those who voted, while 37.75 per cent voted against and the remainder returned blank votes.[11]

12. In his letter dated 22 January 2007 addressed to the Secretary-General (A/61/710), the Permanent Representative of the United Kingdom to the United Nations informed that the new Constitution of Gibraltar had been given effect by an Order-in-Council on 14 December 2006 and that the new Constitution had entered into force on 2 January 2007. Noting that it recognized the right of self-determination of the Gibraltarian people, the Permanent Representative said that the new Constitution provided for a modern relationship between Gibraltar and the United Kingdom that was not based on colonialism.

13. In this connection, as previously reported,[12] Spain stated that the 2006 Constitution was an improvement and a modernization of its Government that in no way affected the international capacity of Gibraltar, and that the adoption of the Gibraltar Constitution Order 2006 was a reform of the colonial regime, which remained unaltered. The Spanish Government further stated that the referendum of 30 November 2006 was a local initiative which represented the democratic expression of the inhabitants of Gibraltar to give them a more efficient Government system and that it did not affect in any way the pending decolonization process of Gibraltar, to which the principle of self-determination did not apply.[13]

14. The positions of the administering Power, the territorial Government and the Government of Spain, including in the context of the Forum of Dialogue on Gibraltar, are reflected below.

III. Economic conditions

A. General

15. Gibraltar has no known natural resources and lacks agricultural land. Prior to 1980, the economy was largely dependent on United Kingdom Ministry of Defence expenditures. With the downsizing of the military base, the economy has increasingly become focused on tourism and the provision of financial services, including banking, insurance, shipping and portfolio management. The currency of Gibraltar is the pound sterling.

16. According to the administering Power, the gross domestic product (GDP) of Gibraltar as of October 2007 was £599.2 million, a per capita GDP of £20,831, with the inflation rate estimated at 2.8 per cent.

17. According to the administering Power, Ministry of Defence of the United Kingdom, which used to employ over 20 per cent of the Territory's labour force, now employs around 8 per cent and contributes about 7 per cent to Gibraltar's GDP.

[11] Information provided by the administering Power, January 2007.
[12] See A/AC.109/2007/12.
[13] Information provided by the Government of Spain, March 2007.

Defence expenditures in Gibraltar for 2007-2008 are expected to be broadly in line with those of previous years — approximately £63 million. On 2 May 2007, the United Kingdom's Minister of State for the Armed Forces informed the House of Commons that as at 31 March 2007, some 350 regular forces personnel were stationed in Gibraltar.[14] According to Spain, information pertaining to the United Kingdom, shared in the context of the Treaty on Conventional Armed Forces in Europe indicates that as at 1 January 2008, there were 818 British armed forces personnel deployed in Gibraltar. Further information concerning Gibraltar's military installations can be found in the 2005 working paper (A/AC.109/2005/11). Recent airfield and airport arrangements are outlined below.

18. In his 2008 New Year's message, the Chief Minister referred to the continuing success that Gibraltar had been able to achieve in its economy. He said that in addition to funding the transformation of Gibraltar and massive tax cuts for everyone, the economic success had created jobs for Gibraltarians and non-Gibraltarians alike, in numbers and of a quality that had never been higher.[15]

B. Public finance

19. According to the administering Power, the territorial Government's revenue for the year ending on 31 March 2007 was £212.2 million, and its expenditure was £156.3 million.[2] This represented a 7 per cent increase in revenue over the previous year, derived mainly from income tax and higher revenue from import duties.[16]

20. The corporate tax rate is 35 per cent for utility companies. Other companies are taxed at very low rates and, in practice, the offshore sector remains untaxed.

21. According to the administering Power, capital investment projects have continued to enhance and modernize all physical aspects of facilities in Gibraltar across a wide range of areas, including affordable housing, health care, education, improved infrastructure and recreational facilities. The estimated capital investment for 2007 was approximately £116 million.[2]

22. According to the Spanish Government, as a result of the Córdoba agreements of September 2006 between Spain, the United Kingdom and Gibraltar (addressed below in the section on the Forum of Dialogue on Gibraltar), Spain has invested about €1.5 million in customs and police facilities in the La Linea area.[17]

C. Trade

23. In 2006, total imports and exports including petroleum products amounted to £1,059.9 million and £797.7 million, respectively. Some 32 per cent of Gibraltar's non-fuel imports originated from the United Kingdom. Other major sources of imports included Denmark, the Netherlands, and Spain.[2]

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[14] www.fco.gov.uk; House of Commons Debates — Hansard, 2 May 2007, www.publications.parliament.uk/pa/cm/cmhansard.htm.

[15] www.gibraltar.gov.gi, 3 January 2008.

[16] Chief Minister's 2007 Budget speech, www.gibraltar.gov.gi/budget.

[17] See A/AC.109/2007/12/Corr.1.

24. The territorial Government has welcomed the Territory's trade-related efforts that draw on commercial opportunities offered by recently improved relations with Spain.[16]

D. Banking and financial services

25. According to the administering Power, Gibraltar has a well-developed financial sector, which is regulated by an independent statutory body, the Financial Services Commission. The Commission includes a full-time chief executive officer in an ex officio capacity and seven other people, at least two of whom have significant regulatory experience in another jurisdiction, appointed by the Gibraltar Minister responsible for financial services, from nominations made by the Commission.[18]

26. As previously reported, the Gibraltar Finance Centre, established in 1997, is charged with the marketing and promotion of financial services, input into strategic planning, including the various international initiatives, product development and liaison with the private sector and the regulator. Furthermore, Gibraltar's efforts to ensure successful regulatory systems have met with international recognition from the Organization for Economic Cooperation and Development and others, and it is generally recognized that Gibraltar is among the most stringently policed jurisdictions, with enforcement to appropriate high standards. However, because it has no tax information exchange agreements in force, Gibraltar has no internal legislation to obtain information to respond to a request for exchange of information for tax purposes.[12] Additional information is contained in Working Paper A/AC.109/2007/12.

27. In its Country Report No. 07/157 of May 2007 entitled "Gibraltar: detailed assessment report on anti-money-laundering and combating the financing of terrorism", the International Monetary Fund stated, inter alia, that the Gibraltar authorities had done well in implementing improvements to Gibraltar's "anti-money-laundering and combating the financing of terrorism regime" in the banking sector, keeping abreast of evolving standards. At the same time, the report stated that Gibraltar needed to take a number of steps to move its legal and regulatory regime forward. For instance, the report suggested that the criminal laws on money-laundering should be consolidated, and powers currently available only in drug-related money-laundering cases should be extended to money-laundering cases involving the proceeds of other crimes.[19]

E. Transportation, communications and utilities

28. Regarding road transportation in and out of Gibraltar, new arrangements came into force on 20 December 2006 as a result of the Córdoba agreements, including the introduction at the fence/frontier of lanes in both directions and red and green channels, for both people and vehicles. Customs and police checks remain necessary, since Gibraltar does not belong to the European Union customs union.

[18] www.fco.gov.uk.

[19] www.imf.org/external/pubs/ft/scr/2007/cr07157.pdf.

Moreover, the United Kingdom (and thus Gibraltar) is outside the so-called Schengen area for external borders purposes.

29. There are regular airline services linking Gibraltar to several airports in Europe, including in London and Madrid.[20]

30. As previously reported,[12] the United Kingdom Government is responsible for all international obligations relating to aviation safety and security in respect of Gibraltar Airport, with the Ministry of Defence retaining ownership of and operational responsibility for the military aviation aspects of the airfield.[21] In June 2007, the territorial Government and the Ministry of Defence agreed that the Government of Gibraltar would assume responsibility for commercial relations with civilian users of the airport, as well as for the economic aspects of civilian use. Under that agreement, the territorial Government was to assume the conduct of all commercial interface with airlines and other civilian users, including capacity management and commercial flight scheduling. In return for control over the commercial aspects of civilian use of the airfield, and for retaining landing and parking fees (previously paid to the Ministry of Defence), the territorial Government will split with the Ministry of Defence, the cost of airfield services for both civilian and military aircraft[22] provided by the Ministry of Defence, with the Government and the Ministry of Defence each covering half of the costs.

31. According to the territorial Government, a new air terminal will be completed within the next year. The location and internal design of the airport terminal reflect the commitments entered into under the Forum of Dialogue's Córdoba agreements, addressed below. The new airport runway underpass tunnel, the related Devil's Tower Road/Eastern Beach dual carriageway and related multi-storey car parks are expected to decongest traffic.[16]

32. As the Strait of Gibraltar is a principal water route between the Mediterranean Sea and the rest of the world, Gibraltar is used as a port by many long distance liners and cargo ships.

F. Tourism

33. Arrivals in Gibraltar by land comprise mainly day visitors arriving from Spain; arrivals by air are primarily from the United Kingdom; and arrivals by sea comprise ferry arrivals from Morocco and day-trip arrivals from cruise ships.

34. According to the territorial Government, the number of visitors in 2006 increased by 5 per cent to approximately 8.2 million. The visitors spent an estimated £210 million while in Gibraltar. The number of cruise passengers rose by 12 per cent to a total of 211,000 spread across 202 ship calls. Employment in tourism-related sectors, such as hotels, restaurants and transport, continued to rise, going up by 114 jobs in 2006.[16]

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[20] http://www.gibraltar.gov.uk.

[21] 2007 Budget speech; www.gibnet.com/texts/annex2.pdf.

[22] www.chronicle.gi, 27 June 2007; 2007 Budget speech; www.nao.org.uk/publications/nao_reports 07-08/07084.pdf page 25; and www.gibraltar.gov.gi press release No: 40/2008 of 18 February 2008.

IV. Social conditions

A. Labour

35. Information provided by the administering Power for 2007 put the number of employees in Gibraltar at 18,485, constituting an increase of 9.5 per cent over the preceding year. The number of people employed by the five largest sectors was as follows — banking and finance, 3,666; public administration and defence, 2,886; wholesale and retail trade, 2,088; building and construction, 3,106; and medical and health services, 1,722. The unemployment rate was an estimated 3.5 per cent.[2]

B. Human rights

36. Gibraltar's Constitution of 2006 includes an updated chapter on the fundamental rights and freedoms of the individual.[23] Meanwhile, the right of individual petition under the European Convention on Human Rights was accepted by the United Kingdom on a permanent basis for Gibraltar on 14 January 2006. Gibraltar's legislation is thus expected to comply with the obligations under the Convention. However, according to media reports in early March 2008 reflecting the views of a well-known civil society organization in Gibraltar, under current Gibraltar law, judges are required only to "take into account" Convention decisions and opinions. In the context of Gibraltar's efforts to comply with the Convention, the Chief Minister acknowledged, in reply to a question put to him in the House of Commons Foreign Affairs Committee on 5 March 2008, that there was an issue about the equalization of the age of consent; this issue continues to be the subject of debate in the Territory.[24]

C. Social security and welfare

37. According to information provided by the administering Power for the year 2007, the social security and welfare sectors in Gibraltar are governed by the Social Security (Employment Injuries Insurance) Act (1952), under which benefits are paid for injury, disablement and industrial deaths; the Social Security (Closed Long-Term Benefits Scheme) Act (1996) and the Social Security (Open Long-Term Benefits Scheme) Act (1997), which cover old-age pensions, guardian allowances and widow benefits; and the Social Security (Insurance) Act (1955) and the Social Security (Non-Contributory Benefits and Unemployment Insurance) Act (1955), which include maternity grants, maternity allowances and death grants.[25]

38. In implementation of the 2007-2008 budget, the Territory's Ministry of Social Affairs announced in July 2007 an increase in entitlements for child welfare grants and disability allowances.[26]

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[23] A/AC.109/2007/12, para. 36; www.gibraltar.gov.gi/constitution.

[24] www.gibfocus.gi, 5 March 2008; www.panorama.gi, 6 March 2008.

[25] Information provided by the administering Power on 8 February 2008; Summary of Budget Measures — 2007, http://www.gibraltar.gov.gi.

[26] http://www.gibraltar.gov.gi/latest_news/press_releases/2007/159-2007.pdf, 11 July 2007.

39. With regard to the settlement of the issue of the pensions of the former pre-1969 Spanish workers in Gibraltar which had been reached at the ministerial meeting of the Forum of Dialogue on Gibraltar on 18 September 2006, 99 per cent of the 5,700 affected Spanish pensioners have accepted the settlement.[27]

D. Public health

40. The Gibraltar Health Authority is responsible for providing health care in Gibraltar. The expenditure of the Authority for the period 2007-2008 was £56.1 million.[28] The new 166-bed St. Bernard's Hospital at Europort, which opened in February 2005, provides a comprehensive outpatient service and inpatient treatment for acute medical and surgical cases. Life expectancy in Gibraltar is 78.5 for males and 83.3 for females.[29]

E. Education

41. Education is governed by the Education and Training Act of 1974. Education is free and is compulsory for children between the ages 5 and 15.[2] The Department of Education and Training is in charge of public education in Gibraltar. According to the administering Power, expenditure on education for 2007 was £21.8 million. A programme of major improvements to Government schools was completed in 2007 at a cost of £1.4 million.

42. There are 13 primary schools, of which 11 are Government-run, 1 is a private school, and 1 is a services school. There are also four single-sex secondary schools, two which are Government-run, and two which are private schools. The Territory's secondary schools present pupils for the General Certificate of Secondary Education examinations offered by the awarding bodies of the United Kingdom. There is also a technical and vocational college, where 380 students were enrolled in 2007. The same year, 523 Gibraltarians were pursuing higher education in the United Kingdom, funded by the territorial Government, which covers the cost of university and college tuition fees.[2]

43. As previously reported, on 18 September 2006, in its joint ministerial statement, the Forum of Dialogue on Gibraltar welcomed the proposal of the Spanish Government to open an Instituto Cervantes in Gibraltar. As agreed, the Gibraltar Government is in the process of making suitable premises available.[30]

F. Crime and crime prevention

44. Law enforcement in the Territory is the responsibility of the Royal Gibraltar Police, in conjunction with the Gibraltar Police Authority established under the Police Act 2006, No. 2006-20,[31] which came into effect on 22 February 2007. In

[27] www.gibraltar.gov.gi/latest_news/press_releases/2007/CommuniqueForumOfDialogueOnGibraltar.pdf; 26 March 2007.

[28] http://www.gibraltar.gov.gi/gov_depts/govt_finance/Public_Finances2007_08.pdf.

[29] Information provided by the administering Power, February 2008.

[30] A/AC.109/2007/12; www.panorama.gi, 22 January 2008.

[31] www.gibraltarlaws.gov.gi/articles/2006-20o.pdf.

accordance with the Act, the Governor has overall ultimate responsibility for the integrity, probity and independence of policing in Gibraltar, and for the policing aspects of national security, including internal security.

45. According to the territorial Government, during the 2006-2007 reporting period there were 1,628 criminal offences committed in Gibraltar, within the following categories: assault on police (39); violence against the person (113); sexual offences (19); theft, burglary, robbery etc. (407); criminal damage (516); dangerous drugs (471); deception-related offences (46); and other offences (17).[32]

46. The United Nations Convention against Transnational and Organized Crime was signed on 15 November 2000 by the United Kingdom and extended to Gibraltar on 27 November 2007.[33] In January 2008, Spain communicated to the United Nations Secretariat a note containing, inter alia, the following declaration, effected on 18 January: "The Gibraltarian authorities are local in character, and exercise competence exclusively over internal affairs that originate in and are based on the powers allocated to and conferred on them by the United Kingdom, in accordance with its domestic legislation and in its capacity as the sovereign State upon which depends the said Non-Self-Governing Territory." Spain went on to say that consequently, any involvement by the Gibraltarian authorities in the implementation of this Convention should be understood to take place exclusively within the framework of the internal affairs of Gibraltar.[34]

V. Forum of Dialogue on Gibraltar

47. As previously reported,[12] negotiations between the United Kingdom and Spain on the subject of Gibraltar led in 2004 to the establishment of a Forum of Dialogue on Gibraltar, separate from the Brussels Process. A joint press release by the Spanish Ministry for Foreign Affairs, the British Foreign and Commonwealth Office and the Government of Gibraltar dated 16 December 2004 stated, inter alia, that in the Forum, "without prejudice to their constitutional status (including the fact that Gibraltar is not a sovereign independent State), each of the three parties will have its own, separate voice and each will participate on the same basis. Any decisions or agreements reached within the Forum must be agreed by all three participants. If the three parties wish to take a decision on an issue in the Forum where formal agreement would properly be between the United Kingdom and Spain, it is understood that the United Kingdom will not agree thereto without the Government of Gibraltar's consent".

48. Since the establishment of the Forum, there have been several rounds of discussions, both before and after the ministerial meeting of the Forum on 18 September 2006, when a package of agreements, known as the Córdoba agreements, were reached. The agreements are aimed at enhancing the economic and social development of both Gibraltar and the surrounding region, in particular the Campo de Gibraltar, and cover such areas as pensions for pre-1969 Spanish workers in Gibraltar, the Gibraltar airport, telecommunications, the fence/frontier,

[32] Abstract of Statistics 2006, Table 27: Criminal Offences, 1999-2007, page 25, Source: Royal Gibraltar Police; www.gibraltar.gov.gi/gov_depts/Statistics; Royal Gibraltar Police, The Policing Plan 2006-2007, http://www.gibraltar.gov.gi/judiciary/police index.htm.

[33] C.N.1130.2007.Treaties; C.N.1130.2007.Treaties-19 (Depositary Notification).

[34] C.N.69.2008.Treaties-1 (Reissued) and letter from Spain, 54/IPE/ac, 17 January 2008.

and the establishment of an Instituto Cervantes in Gibraltar.[35] Implementation of the agreements is ongoing. As previously reported,[12] the participants stated in the ministerial communiqué of the Forum that those agreements had no implications whatsoever regarding sovereignty and jurisdiction, and that the Government of Gibraltar understood and accepted that references to sovereignty in the communiqué are bilateral to the United Kingdom and Spain.

49. The latest meeting of the Forum, its seventh, took place on 5 and 6 November 2007 in Castellar de la Frontera. The three participants reviewed the implementation of the arrangements reached at Córdoba and, in a communiqué issued at the end of the meeting, acknowledged the satisfactory implementation of all the agreements.

50. Moreover, the participants had a preliminary discussion of the possible aims and objectives for each of the issues on the forward agenda of the Forum, namely, cooperation on environment, financial services and taxation, judicial and police issues, education, maritime communications and visa-related issues.[36]

VI. Future status of the Territory

A. Position of the administering Power

51. In a statement at the 6th meeting of the Fourth Committee, held on 15 October 2007, during the sixty-second session of the General Assembly (see A/C.4/62/SR.6), the Permanent Representative of the United Kingdom, Sir John Sawer, intervened in exercise of the right of reply. As reflected in the summary record of that meeting, the Permanent Representative stated, inter alia, that the United Kingdom welcomed the continued progress of the trilateral process of dialogue among the Governments of the United Kingdom, Spain and Gibraltar. The agreements already reached were being implemented without prejudice to the respective positions of the United Kingdom and Spain on sovereignty, on which the United Nations had not taken a view.

52. Moreover, the Permanent Representative said that his Government welcomed the decision by the people of Gibraltar to accept the new Constitution, which provided for a modern relationship between Gibraltar and the United Kingdom. It was regrettable that the outdated approach of the Special Committee on decolonization seemed not to have allowed for that to be recognized. The criteria used by the Committee to determine whether a Non-Self-Governing Territory should be "de-listed" failed to take into account the way that relationships between the United Kingdom and Gibraltar and between the United Kingdom and other Overseas Territories had been modernized in a manner acceptable to both sides. Gibraltar was now politically mature, and its relationship with the United Kingdom was non-colonial in nature.

53. Continuing, the Permanent Representative said that, as a separate territory recognized by the United Nations, Gibraltar enjoyed the individual and collective rights accorded by the United Nations Charter. The new Constitution therefore confirmed the right to self-determination of the Gibraltarian people. That right was

[35] www.gibnet.com/texts/trip_1.htm.

[36] www.gibraltar.gov.gi.; http://www.gibraltar.gov.gi/latest_news/press_releases/2007/250-2007_Communique_VII_Forum.pdf.

not constrained by the Treaty of Utrecht except insofar as it gave Spain the right of refusal should Britain ever renounce sovereignty. Thus, independence would be an option only with Spanish consent. The Government of the United Kingdom recognized that the act of deciding in the referendum to accept the new Constitution was an exercise of the right of self-determination by the Gibraltarian people. The Constitution did not in any way diminish British sovereignty, and the United Kingdom retained its full international responsibility for Gibraltar, including its external relations and defence, in full accord with the freely expressed wishes of the people of Gibraltar. The Permanent Representative went on to say that the Government of the United Kingdom did not accept that the principle of territorial integrity had ever been applicable to the decolonization of Gibraltar, nor that the existence of a sovereignty dispute implied that the people of Gibraltar did not have the right to self-determination. He further reaffirmed the United Kingdom's longstanding commitment to the people of Gibraltar that it would never enter into arrangements under which they would pass under the sovereignty of another State against their wishes.

B. Position of the territorial Government

54. Speaking to the Fourth Committee on 15 October 2007, the Chief Minister of Gibraltar, Peter Caruana, stated, as reflected in the summary record of that meeting, that in November 2006 the people of Gibraltar had voted in a referendum organized entirely by the Gibraltar Government, with no participation whatsoever on the part of the United Kingdom Government, to accept a new constitutional relationship with the United Kingdom. The new Constitution gave Gibraltar complete self-government, except in matters relating to foreign affairs and defence, and was not the Constitution of a sovereign independent State, because the people of Gibraltar, for various reasons, did not believe that independence was the best option for their territory. The Governor functioned solely as the representative of the British monarch, not as the representative of the United Kingdom, and he exercised the powers vested in him solely in that capacity. In the view of the Chief Minister, the United Kingdom had neither the power nor the ability to act as an administering Power in Gibraltar, nor did it demonstrate any wish to do so. Gibraltar should therefore be removed from the list of Non-Self-Governing Territories and the United Kingdom should accordingly be relieved of its reporting obligation in connection with Gibraltar under the Charter. The Chief Minister concluded by saying that the trilateral Forum of Dialogue was functioning well and the initial agreements reached in September 2006 were being successfully implemented. The Gibraltar Government was fully committed to the Forum and to building constructive bridges with Spain based on mutual respect.

C. Position of the Government of Spain

55. Speaking at the 6th meeting of the Fourth Committee on 15 October 2007 (see A/C.4/62/SR.6), the Deputy Permanent Representative of Spain, Iñigo de Palacio, intervened as reflected in the summary record of that meeting. Mr. de Palacio said, inter alia, that the question of Gibraltar was an ongoing priority for his Government. As recognized in General Assembly resolutions and decisions, the continuation of the colonial situation in Gibraltar was not in conformity with the Charter of the

United Nations because it undermined the unity and territorial integrity of Spain. Thus, in the process of decolonizing Gibraltar, it was necessary to address and definitively settle the related sovereignty issues. That stance had been clearly reflected in the conclusions of the Caribbean regional seminar on decolonization held in Saint George's, Grenada, in May 2007. Further, his Government regretted that, despite its expressions of willingness to resume negotiations with the United Kingdom on the sovereignty issues concerning Gibraltar, no progress had been made since the preceding session of the General Assembly and the decolonization of Gibraltar was thus no closer to becoming a reality. Mr. de Palacio said that the principle of self-determination did not apply to Gibraltar, as it would have in the absence of a sovereignty dispute, since decolonization of that Territory could only result from bilateral negotiations between Spain and the United Kingdom. The Deputy Permanent Representative went on to say that his Government remained fully committed to the process it had launched for that purpose with the British Government in 1980.

56. Meanwhile, the speaker said, the United Kingdom claimed to have undertaken a commitment to the population of Gibraltar, as reflected in the new Constitutional Order, not to enter into any sovereignty arrangements against the Gibraltarians' wishes. However, the Spanish Government believed that that should not serve as an excuse for avoiding sovereignty negotiations, which would, in any event, take the interests of the Gibraltarian population into account. Otherwise, the United Kingdom would be in breach of both the mandate which the General Assembly had consistently reiterated since 1965 and the commitment it had made to Spain in 1980 to seek a definitive solution through dialogue between the two countries. Meanwhile, the Spanish Government would continue to act in good faith and hoped that negotiations could be held in due course in order to make genuine progress towards decolonization.

D. United Kingdom-Spain negotiations

57. There were no bilateral negotiations on Gibraltar during 2007 within the framework of the so-called Brussels Process, which is separate from the Forum of Dialogue on Gibraltar. According to information provided by Spain, on 1 March 2007, the Foreign Minister of Spain reaffirmed to the Spanish Parliament that the Brussels Process was fully in force. Moreover, on the occasion of the visit to Spain of the United Kingdom Foreign Secretary, David Miliband, on 6 September 2007, the Spanish Minister of Foreign Affairs, Miguel Ángel Moratinos, stated at a joint press conference that the questions on sovereignty were always present in conversations with the United Kingdom. Spain suggested that it be examined with the United Kingdom how best to deal with these questions, with the aim of achieving results to reach a definitive solution. Further, Mr. Moratinos said that now the Forum of Dialogue on Gibraltar existed, and progress should be made with the objective of negotiating sovereignty at the right moment.

58. Moreover, according to information provided by Spain, two agreements were reached on 19 December 2007 between the United Kingdom and Spain regarding arrangements involving the Gibraltar authorities for formal communications and decisions requiring notification in the context of (a) mixed agreements to which the

European Community/European Union is a party; and (b) any international treaty to which the European Community/European Union is not a party.[37]

59. On 8 January 2008, Foreign Secretary Miliband stated to the House of Commons that under the "Agreed arrangements relating to Gibraltar authorities in the context of mixed agreements", a system of "post-boxing" would apply for communications between Spanish and Gibraltar authorities, but not for communications between the authorities of other States and Gibraltar. The same arrangements would also apply for communications between Gibraltar and Spain in the context of the "Agreed arrangements relating to Gibraltar authorities in the context of certain international treaties".[38]

E. United Kingdom-Gibraltarian discussions

60. The Governments of the United Kingdom and Gibraltar have both recognized that the 2006 Constitution provides for a modern and mature constitutional relationship between the two sides, which is not based on colonialism.

61. As part of an inquiry conducted during 2007-2008 by the House of Commons Foreign Affairs Committee on the British Overseas Territories, on 5 March 2008 the Chief Minister gave evidence with regard to the Territory.[39] On the subject of decolonization, the Chief Minister stated in a written submission made available to the press that both the territorial Government and the Government of the United Kingdom believed that the United Nation's de-listing and decolonization criteria were anachronistic. Nonetheless, the Chief Minister recognized that, under Article 73 (e) of the United Nations Charter, the United Kingdom was obliged to continue to submit annual reports until such time as the General Assembly voted in favour of the removal of a Territory from its list of Non-Self-Governing Territories. The United Kingdom was not free to unilaterally discontinue the submission of annual reports about Gibraltar.[40]

VII. Consideration by the United Nations

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

62. A representative of Spain attended the Caribbean regional seminar on the implementation of the Second International Decade for the Eradication of Colonialism, held at Saint George's, Grenada from 22 to 24 May 2007, and made a statement.

63. The Special Committee discussed the question of Gibraltar at its 3rd meeting, on 5 June 2007 (see A/AC.109/2007/SR.3), and had before it the 2007 working

[37] Note verbale of 7 February 2008, No. 110, from Spain addressed to the Secretary-General.
[38] Hansard, 8 January 2008, www.publications.parliament.uk/pa/cm/cmhansrd.htm.
[39] http://www.publications.parliament.uk/pa/cm200708/cmselect/cmfaff/uc147-iv/uc14702.htm.
[40] Ibid., www.panorama.gi, 5 March 2008; www.gibfocus.gi, 5 March 2008; see also Government Of Gibraltar Press Office, Press Release No. 54/2008, 12 March 2008; and www.mercopress.com, 13 March 2008.

paper concerning the Territory (A/AC.109/2007/12 and Corr.1). Statements were made by the representative of Spain, the Chief Minister, and the leader of the opposition in Gibraltar. On the proposal of the Chairman, the Committee decided to continue consideration of the question at its next session and, in order to facilitate consideration of the question by the Special Political and Decolonization Committee (Fourth Committee), to transmit the relevant documentation to the General Assembly.

B. Special Political and Decolonization Committee (Fourth Committee)

64. The Fourth Committee considered the question of Gibraltar at its 6th meeting, on 15 October 2007 (see A/C.4/62/SR.6). At that meeting, statements were made by the Deputy Permanent Representative of Spain, Íñigo de Palacio, the Chief Minister of Gibraltar, Peter Caruana, and a petitioner, Joseph Bossano, leader of the opposition. At its 5th meeting, on 11 October, the Fourth Committee heard a statement by the representative of the United Kingdom regarding the 10 Territories that are on the United Nations list of Non-Self-Governing Territories administered by the United Kingdom (see A/C.4/62/SR.5). At its 9th meeting, on 22 October, the Fourth Committee adopted a draft decision on the question of Gibraltar (A/C.4/62/L.4) without a vote.

C. Action by the General Assembly

65. At its 76th plenary meeting, on 17 December 2007, the General Assembly, on the recommendation of the Fourth Committee, adopted a decision (62/523) without a vote. The decision reads as follows:

> "The General Assembly, recalling its decision 61/522 of 14 December 2006 and the statements agreed to by the Governments of Spain and the United Kingdom of Great Britain and Northern Ireland in Brussels on 27 November 1984,[41] and in Madrid on 27 October 2004, and noting the establishment, pursuant to the latter, of the tripartite Forum of Dialogue on Gibraltar, separate from the Brussels Process, under the statement made jointly by the Governments of Spain, the United Kingdom and Gibraltar on 16 December 2004:
>
> (a) Urges both Governments, while listening to the interests and aspirations of Gibraltar, to reach, in the spirit of the 27 November 1984 statement, a definitive solution to the question of Gibraltar, in the light of relevant resolutions of the General Assembly and applicable principles, and in the spirit of the Charter of the United Nations;
>
> (b) Welcomes the successful outcome of the first package of measures concluded at the tripartite Forum of Dialogue on Gibraltar."

[41] See A/39/732, annex.

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

New Caledonia

Working paper prepared by the Secretariat

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I. General

1. New Caledonia,[1] a Non-Self-Governing Territory administered by France, is located in the Pacific Ocean, about 1,500 kilometres east of Australia and 1,700 kilometres north of New Zealand. It comprises one large island, known as Grande Terre, and smaller islands known as the Loyalty Islands (Ouvéa, Maré, Lifou and Tiga), the Bélap Archipelago, the Isle of Pines and Huon Islands. There are also several uninhabited islands to the north of the Loyalty Islands. The area of Grande Terre is 16,750 square kilometres, and that of the Territory is 19,103 square kilometres. Nouméa, the capital, is located in the south of Grande Terre. The Territory is divided into three provinces, North and South (on Grande Terre) and the Loyalty Islands. The official language is French and about 28 Melanesian-Polynesian dialects are spoken.

2. In August 2004, a census completed by the French National Institute of Statistics and Economic Studies placed the population of New Caledonia at 230,789, an increase of 33,953, or 14.7 per cent since the last census in 1996.[1] A more recent estimate assesses the population as at 1 January 2007 to be 240,400.[2] The 2004 census, which focused on regional groupings of the population, as opposed to ethnic groupings, provoked controversy and incited a boycott by the indigenous movement, dissatisfied with the omission of questions regarding ethnicity. The questions had been removed following an intervention by the President of France, who had labelled them scandalous and unlawful.

3. As a result, the only official information on ethnicity currently available dates from 1996. According to the 1996 census, the population comprised indigenous Melanesians, known as Kanaks (42.5 per cent); persons of European origin, mainly French (37.1 per cent); Wallisians (8.4 per cent); Polynesians (3.8 per cent); and others, mainly Indonesians and Vietnamese (8.2 per cent). Almost half the population at that time was reported to be under 25 years of age.

4. Although there has been a measurable increase in New Caledonia's population since 1996, the demographics have remained essentially unaltered, with the majority of the population (approximately 70 per cent) living in the South Province, mainly around the greater Nouméa area, approximately 20 per cent in the North Province, and approximately 10 per cent in the Loyalty Islands. In 1996, the native Kanak population made up almost 78 per cent of the population of the North Province and 97 per cent of the population of the Islands, but only 25.5 per cent of the population of the South Province. With respect to the Territory's second largest population group, persons of European origin, 89 per cent lived in the South Province.

5. The political and administrative structures of New Caledonia were fundamentally altered by the Nouméa Accord (A/AC.109/2114, annex), signed in May 1998 between the Government of France, the pro-independence Front de libération national kanak socialiste (FLNKS) and the integrationist Rassemblement pour la Calédonie dans la République (RPCR). Under the terms of the Accord, the

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Note: The information contained in the present paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] Institut de la statistique et des études économiques 2004 — Nouvelle Calédonie.

[2] Institut de la statistique et des études économiques de Nouvelle-Calédonie (ISEE), Bilan économique et social 2006: Démographie.

New Caledonian parties opted for a negotiated solution and progressive autonomy from France rather than an immediate referendum on political status. The transfer of powers from France began in 2000 and is scheduled to end with a referendum between 2013 and 2018, when the Territory will opt for either full independence or a form of associated statehood. The characteristics of New Caledonia's economy and employment, as well as current efforts to implement a policy of redressing economic and social imbalances between the more prosperous South Province and the less developed North Province and Loyalty Islands, are described in section III below.

II. Constitutional, political and legal issues

A. Recent developments

6. Following the ratification of the Nouméa Accord by the people of the Territory and the codification of its provisions into French law, New Caledonia is no longer considered an Overseas Territory. Instead, the Government of France describes it as a community sui generis, which has institutions designed for it alone to which certain non-revocable powers of State will gradually be transferred. Details on the political and legislative aspects of the Nouméa process and the new institutional arrangements are contained in the 2005 report (see A/AC.109/2005/13, paras. 6-10, and 30 and 31).

7. For 25 years, the party system in New Caledonia was dominated by the anti-independence RPCR (Rassemblement pour la Calédonie dans la République), since renamed Rassemblement-Union progressiste mélanesienne (UMP). This dominance by one party ended just months prior to the Caledonian general elections in May 2004, with the emergence and electoral success of a new party, l'Avenir Ensemble (AE).[3] Like the then RPCR, the AE party oriented itself as opposed to complete independence from France, but is seen as being more favourable towards consensus and dialogue with the indigenous Kanak movement, and supportive of full implementation of the Nouméa Accord. The indigenous movement is part of FLNKS, a coalition of several pro-independence groups that are of the view that a future vote about New Caledonia's status should be about full independence rather than an endorsement of a continuing relationship with France.[4]

8. The most recent addition in New Caledonia's political scene came in November 2007, when New Caledonia's mainly Kanak Union for Kanak and Exploited Workers (USTKE) launched a new Labour Party. Staunchly pro-independence in nature, the party has focused its political platform on the complete application of the Nouméa Accord, particularly with regard to the rights of the indigenous people, and on the need to take the situation of the Kanak workers into account, especially in view of the inequality in the distribution of the Territory's wealth. The new party's leader, Gerard Jodar, expressed the view that the FLNKS movement was no longer adequately fulfilling its role in opposition, having failed in obtaining adequate progress towards implementation of the Nouméa Accord.[5] The

[3] Administering Power, "*L'évolution de la Nouvelle Calédonie en 2004*".
[4] Economist Intelligence Unit, *Country Report* (December 2005).
[5] *Les Nouvelles Calédoniennes*, 19 November 2007.

new party intends to contest New Caledonia's municipal elections due in March 2008.[6]

9. All of the political parties and groupings have experienced tensions and internal divisions. In 2005, RCPR founder and long-time leader, Jacques Lafleur, highly critical of its failure to defeat AE, established a new anti-dependence party, the Rassemblement pour la Calédonie (RPC).[7] Meanwhile, in the run-up to the French parliamentary elections in June 2007 (see para. 11 below), both Rassemblement-UMP and AE had internal differences over their election slates, with both parties facing challenges from breakaway candidates deciding to run against former colleagues.[8] An increase in tension between Rassemblement-UMP and AE was temporarily reversed through an agreement reached in the summer of 2007 with strong French backing (see para. 20 below), but by the autumn discord between the two parties had re-emerged. Meanwhile, FLNKS, which had experienced tensions for years, reinforced its cooperation in an apparent effort to exploit the unprecedented disarray among the anti-independence parties. This renewed unity of purpose was also visible when FLNKS held its first summit in four years in Nouméa in December 2007.[9] The appearance of the new Labour Party, however, demonstrated divergences among the proponents of independence.

10. Regarding French State institutions, New Caledonia participated in the French presidential elections on May 2007, won by Nicolas Sarkozy of France's Union pour un mouvement populaire party, who took 63 per cent of New Caledonia's vote. Meanwhile, Simon Loueckhote of RPCR continued to serve as New Caledonia's Senator, having been re-elected to that post in September 2001 for an additional nine years.

11. In June 2007, New Caledonia participated in the elections for the French National Assembly, voting for the two seats set aside for New Caledonia in France's lower house, one for each of its constituencies, North and South. In the previous elections in 2002, New Caledonian voters had returned two members of the pro-integrationist RPCR to their seats, namely, Mr. Lafleur, who had held the seat in Paris since 1978 (and who later left the party), and Pierre Frogier, who has served as leader of Rassemblement-UMP since Mr. Lafleur's departure.[10] The first round of voting on 10 June did not produce the required margins of victory, and a run-off vote was held one week later, on 17 June.

12. The first vote yielded a result that saw both pro- and anti-independence candidates proceed to a second round in both the North and South constituencies, with the candidates put forward by Rassemblement-UMP and FLNKS prevailing in both cases to move forward to the run-off vote. That outcome was widely attributed to the disarray in the anti-independence camp and the proliferation of candidates. For the North constituency, AE and Rassemblement-UMP each put forward a candidate — Harold Martin and Pierre Frogier (incumbent in the French Assembly), respectively. The National Front also put forward a candidate (Bianca Henin). Meanwhile, on the pro-independence side, the FLNKS coalition fielded a consensus single candidate (Charles Pidjot). The Kanak USTKE union also fielded a

[6] Radio New Zealand, November 2007.

[7] *Les Nouvelles Calédoniennes*, 30 October 2006, www.lnc.nc.

[8] Radio New Zealand, May and June 2007.

[9] Information provided by the administering Power, 9 January 2008.

[10] Oceania Flash, 17 June 2002.

candidate (Francois Apok). For the South constituency, meanwhile, AE and Rassemblement-UMP again fielded a candidate each (Philippe Gomes and Gael Yanno, respectively). Jacques Lafleur made a bid for re-election to the Assembly on his own RPC party ticket, and a breakaway candidate from AE ran as an independent (Didier Leroux). Two additional candidates ran in that constituency — Guy George for the National Front; and Pierre Maresca as an independent. Again, FLNKS rallied round a single candidate, Charles Washetine, while the former leader and founder of USTKE, Louis Kotra Uregei, ran on behalf of the union.[11]

13. In the second round, on 17 June, contested by the two Rassemblement-UMP and two FLNKS candidates, Rassemblement-UMP won, sending Mr. Frogier back to the French National Assembly, joined by Mr. Yanno. However, the FLNKS showing was considered notable, given the past tensions within the pro-independence movement.[12]

14. New Caledonia is governed by a 54-member Territorial Congress, a legislative body composed of members of the three provincial assemblies (15 from the North Province, 32 from the South Province and 7 from the Loyalty Islands) elected for terms of five years. In each province, a member of the leading party is elected President of the Provincial Assembly, also acting as the chief executive of the province. Further details on the structure of the Government are contained in the 2005 working paper (see A/AC.109/2005/13, paras. 11-16, 25 and 26).

15. Elections for the three Provincial Assemblies, which thus also determined the composition of Congress were held on 9 May 2004, ending the 25-year domination of the Caledonian Government by RPCR and reflecting the advent of AE. The present composition of Congress has AE and RPCR each holding 16 seats, National Front, 4 seats, and pro-independence parties, the remaining 18 seats. A breakdown of the results of the 2004 provincial elections can be found in previous working papers (see A/AC.109/2005/13, A/AC.109/2006/14 and A/AC.109/2007/9).

16. In keeping with the five-year election timetable, the next elections for Congress and the Provincial Assemblies were foreseen for 2009. However, on 23 July 2007, in the wake of the French Assembly elections and the setback experienced by the ruling AE party, Marie-Noëlle Thémereau of the AE party, president of New Caledonia since 2004, tendered her resignation, triggering the fall of the whole 11-member Executive Committee (ministerial Cabinet) of the Territory's Government, and setting in motion new elections.[9]

17. Under New Caledonia's 1999 organic law,[13] Congress then had 14 days to convene and elect a new Government in two stages: first, to vote on the number of Government Ministers, and second, to nominate portfolio bearers. The Cabinet is also required to proportionally reflect the make-up of the 54-member Congress.

18. On 6 August 2007, the New Caledonia Congress, elected a new 11-member Cabinet, in a vote that resulted in the election of eight anti-independence and three pro-independence members. This outcome was facilitated by the agreement reached the previous week by New Caledonia's main anti-independence parties to work

[11] Pacific Islands Report, Oceania Flash, 11 June 2007.

[12] Radio New Zealand, 15 June 2007.

[13] Under the French Constitution, organic laws are special statutes of constitutional scope according to the framing of the French Constitution, and have constitutional force. (Wikipedia, http://en.wikipedia.org/wiki/Organic_law).

together to share power (see para. 20 below). However, hours later, FLNKS resigned from the Cabinet in protest at what it considered an error in the Congress's ballot which did not accurately reflect the proportion of its relative strength in the 54-member Congress, as was required, and had thus cost them a seat in the Government.[14] Those resignations in turn caused the immediate collapse of the Government (though it remained in a caretaker capacity), and activated a renewed 14-day period during which Congress would have to elect a new Government. In the meantime, Harold Martin, leader of AE, was sworn in the following day as President of the caretaker Government.

19. On 21 August, using improved technical procedures for voting, the New Caledonia Congress again elected a new 11-member Cabinet, this time comprising seven anti-independence and four pro-independence members. Harold Martin retained the position of President. The voting for anti-independence Cabinet members and distribution of portfolios were greatly facilitated by a strategic agreement reached among them the previous week on power-sharing, inter alia, as described below.

20. An element that is integral to political stability in New Caledonia is the guiding principle of "collegiality", as enshrined in the Nouméa Accord, involving such areas as governance, power-sharing and consensus decision-making. In the light of the lack of cohesion among the main anti-independence forces in New Caledonia, reconciliation talks were initiated in July 2007 under the leadership of party leaders Pierre Frogier (Rassemblement-UMP) and Harold Martin (AE), with the strong encouragement of the French Government. That effort culminated in the signature on 29 July of a "majority pact" between the three main anti-independence parties — Rassemblement-UMP, AE and Jacques Lafleur's RCP. The pact, anchored firmly in the terms of the Nouméa Accord, is aimed at setting the parameters for a working relationship between the parties, affecting not only Government portfolios, but also key positions in public institutions and companies. In line with the goal of collegiality, it also emphasized the need to maintain dialogue with the New Caledonia pro-independence movement, mainly represented by FLNKS. As mentioned in paragraph 18 above, that strategic alliance was instrumental in the elections held shortly thereafter by the New Caledonia Congress for a new Government.[15]

21. The French State is represented in the Territory by a High Commissioner. On 15 October 2007, it was reported that Michel Mathieu, who had been appointed to the post in September 2005, had tendered his resignation to President Sarkozy, reportedly after a difference in views that emerged during the visit of Christian Estrosi, French Secretary of State in charge of Overseas, on how to deal with a union rally and social unrest in New Caledonia in general.[16] A new High Commissioner, Yves Dassonville, was appointed on 26 October.

22. A certain amount of controversy broadly surrounded Mr. Estrosi's trip to New Caledonia. Prior to his visit, FLNKS announced its intention not to meet with him, citing its concern over the "majority pact" between the main anti-independence parties, reached with strong French backing. FLNKS interpreted that move as an attempt to weaken the pro-independence coalition's institutional power. FLNKS

[14] Radio New Zealand, 6 and 7 August 2007.
[15] Pacific Islands Report, Oceania Flash, 24 and 31 July 2007.
[16] Radio New Zealand, 15 and 26 October 2007.

later criticized Mr. Estrosi's statements in the Territory, expressing the view that they were in contradiction with the Nouméa Accord, and more in keeping with a UMP activist rather than a Government representative. Philippe Gomes, one of the leaders of AE, also voicing disagreement with Mr. Estrosi's positions, urged his party to reconsider its existing agreement with Rassemblement-UMP, and to reinforce its political strategy of dialogue. Meanwhile, for its part, the pro-independence Caledonian Union urged France to remain impartial, and not to support the loyalist parties.[17] Responding to the reaction to his visit, Mr. Estrosi said his comments had been misunderstood, reiterated his respect for the Nouméa Accord and reaffirmed France's neutral role. That approach has since been reinforced by Mr. Dassonville in several public comments reaffirming the support of France for the implementation of the Nouméa Accord.[18]

23. In response to a question put to Prime Minister François Fillon, in the French National Assembly on 17 October 2007, in the wake of Mr. Estrosi's visit to New Caledonia, the Prime Minister announced that he would personally convene a meeting of the signatories to the 1998 Nouméa Accord in Palais Matignon, the Prime Minister's official residence in Paris, to review progress on the implementation of the Accord.

24. The meeting took place on 20 December 2007, bringing together representatives of the French Government, Rassemblement-UMP, AE, RPC and FLNKS. A statement issued by the Prime Minister following the talks said that re-establishment of the dialogue would allow joint efforts to proceed in developing New Caledonia's economy, and in effecting the transfer of powers in line with the terms of the Nouméa Accord. The statement indicated that the transfer of the next set of powers is foreseen for 2009. Prime Minister Fillon also announced the creation of a task force to help New Caledonia's working groups to prepare for the transfer of the next set of powers, as the second phase of an understanding reached by the parties at the group's meeting in February 2006; that task force was established on 20 February 2008. As the first phase of that agreement, 13 working groups were established in 2007, one for each of the powers to be transferred, under the auspices of the High Commissioner.[9]

25. Some steps have been taken to fulfil the requirement contained in the 1998 Nouméa Accord of agreeing on identity symbols around which New Caledonia can unite. A public competition opened in December 2007 to find an anthem, motto and banknote design. Meanwhile, the question of the new name and flag will be decided by an Identity Signs Steering Committee.[19]

B. External relations

26. The legal framework within which New Caledonia may establish external relations is governed by the Organic Law of 1999 (details are contained in A/AC.109/2005/13, para. 9). In that regard, the participants at the January 2002 meeting of the signatories of the Nouméa Accord agreed on the importance of developing trade and other relations with the larger actors in the Pacific region

[17] *Les Nouvelles Calédoniennes*, 10, 16, 29 October and 9 November 2007.
[18] Radio New Zealand, 19 October 2007 and 14 January 2008.
[19] Pacific Islands Report, Oceania Flash, 3 January 2008.

(Australia and New Zealand), as well as with other island States, and of building on existing links with regional organizations. Another concern expressed was the need to establish better links with the European Union (EU), given its political, commercial and financial importance. Since 1998 when the Nouméa Accord was signed, New Caledonia has been gradually expanding its international and regional links.

27. New Caledonia has continued to strengthen its ties with the EU, within which it has the status of associated territory. New Caledonia participated in the EU Overseas Countries and Territories Forum, held in Brussels, on 27 and 28 November 2007. The main topics discussed were future Overseas Countries and Territories-EU relations, status of implementation of the ninth European Development Fund for the Overseas Countries and Territories, economic and trade cooperation, the environment, climate change and financial services.[20]

28. In 2006, New Caledonia became an associate member of the Pacific Islands Forum, having been an observer since 1999. Addressing the 38th Summit of the Forum, held in Tonga on 16 October 2007, New Caledonia President Harold Martin reiterated the Territory's commitment to the Forum's Pacific Plan, focusing on the priorities of economic growth, sustainable development, good governance and the establishment of conditions conducive to institutional stability as a guarantor of peace and stability in the Pacific region. He also voiced encouragement for the Forum to continue its efforts towards developing the Pacific region's institutional architecture. For the first time, a special invitation was extended to France to attend the event in the framework of the post-Forum dialogue; Secretary of State Estrosi led the French delegation.[9]

29. New Caledonia is also a member of the Pacific Community, the Pacific's oldest regional organization, whose secretariat is headquartered in Nouméa. The secretariat implements programmes that benefit its 22 members, which encompass the Pacific island countries and Territories, with the aim of helping them to make and implement informed decisions about their future. The Pacific Community has land, marine and social programmes under way in New Caledonia.

30. Among other Pacific regional arrangements in which New Caledonia is involved are the South Pacific Regional Environment Programme, the Pacific Islands Development Programme and the South Pacific Applied Geoscience Commission.

31. New Caledonia has also developed its bilateral relations in the region. For example, New Caledonia signed a cooperation agreement with Vanuatu in 2006. It is the fifth- and third-largest export market in the Pacific for Australia and New Zealand, respectively, and has actively pursued its trade and other relations with both countries.[21]

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[20] See European Commission report on the Sixth Overseas Countries and Territories-EU Forum, 28 November 2007, http://ec.europa.eu.

[21] Official website of the Government of Australia (http://www.dfat.gov.au/geo/new_caledonia/new_caledonia_brief.html), and official website of the Government of New Zealand (http://www.mfat.govt.nz/Countries/Pacific/New-Caledonia.php#bilateral).

III. Socio-economic conditions

A. General

32. New Caledonia, with its considerable economic assets, ranks among the more affluent Pacific nations with a gross domestic product (GDP) per capita of €22,737 in the year 2006.[22] As one of the world's largest nickel exporters the Territory's economic development is closely connected with the developments on the booming global nickel market. In line with steadily growing nickel prices and several ongoing large-scale mining investments, the economy expanded by 4.0 per cent in 2005 and 4.4 per cent in 2006.[23]

33. The Territory, however, suffers from long-standing structural imbalances between the economically dominant South Province and the considerably less developed North Province and the Loyalty Islands. Therefore, in the context of the Matignon Accords of 1988 (see A/AC.109/1000, paras. 9-14) and the Nouméa Accord of 1998, many of the efforts of the Government of France and New Caledonian institutions in the past decade have been aimed at *rééquilibrage*; that is, redressing the balance among the three provinces in terms of infrastructure, social services and employment opportunities. Accordingly, 70 per cent of State assistance to the Territory is earmarked for the North Province and the Loyalty Islands, with the remaining 30 per cent for the South Province. In addition, the French State concludes multi-year development treaties with the local government communities (*communes*) in the Territory. Implementation of contracts awarded for the period 2000-2005, focusing on housing and public health, was completed in 2007. The next batch of development contracts for the period 2006-2010 entered into force in March 2006. Funding provided by the administering Power, with a financial commitment of €393.4 million accounts for more than 50 per cent of the Territory's total projected spending of €777.7 million.[9]

34. According to information provided by the administering Power, the French State continues to offer fiscal incentives to encourage investment in its Overseas Territories, as well as specific tax arrangements aimed at strengthening New Caledonia's metallurgy and mining sectors, hotel industry, housing, transport sector and public service concessions.[9]

35. New Caledonia remains heavily dependent on direct financial transfers from France, which are equivalent to around 30 per cent of GDP. Approximately 80 per cent of that amount is spent on health, education and the payment of public service salaries, with the remainder funding development schemes, mainly in the North and Island Provinces. The financial transfers made by the administering Power increased to a total of €214.5 in 2007 compared to €205.7 million in the year 2006.[9] However, in July 2007 shortly after his election, President Sarkozy announced his intention to move away from France's existing arrangements of financial support to its overseas departments and territories, indicating that this was not the best approach for addressing development challenges.[24] Consequently, the so-called *loi-programme*, initiated by the administering Power in January 2008, aims at evaluating and eventually improving the effectiveness of financial transfers and other measures

[22] Economist Intelligence Unit, *Country Report* (December 2006).

[23] See www.isee.nc, accessed on 3 March 2008.

[24] Oceania Flash, 17 July 2007, http://newspad-pacific.info.

taken by the administering Power vis-à-vis its overseas departments and territories.[25]

36. Passed by the Territorial Congress in December 2007, the 2008 budget totals a record 2 billion United States dollars (US$). The territorial Government explained the budget increase in terms of higher revenues caused by a flourishing economy, a booming nickel industry and international investment in the Territory. The main components of expenditures were dedicated to regional wealth distribution and educational issues.[26] Territorial President Martin affirmed in a declaration of general policy that the favourable economic situation prevailing in New Caledonia constituted "the right time" to focus on overcoming regional inequalities.[27]

37. Meanwhile, as discussed in paragraph 27 above, New Caledonia's currency, the Pacific franc, could be replaced by the euro if all three French Pacific Territories concur. The administering Power has urged New Caledonia, as one of France's overseas territories, to adopt the euro and has established a committee for preparation and consultation with territorial actors. New Caledonia's anti-independence parties as well as the Territory's business sector are supporting the introduction of the euro. On the other hand, the change is opposed by the pro-independence parties, which assert that, under the provisions of the Nouméa Accord, currency matters are to be dealt with locally, and a switch to the euro would serve only to bind New Caledonia more closely to France.[28]

38. Owing to New Caledonia's dependence on the importation of many products, the cost of living in the Territory reflects the upward trend of world market prices, and thus remains an issue of concern. The Territorial Congress endorsed in November 2006 far-reaching tax exemptions for a basket of 14 essential food items, such as sugar and flour.[29] The territorial Government has also introduced subsidized fixed-price bread as a countermeasure to rapidly rising wheat prices.[30] In January 2008, President Martin announced further measures to reduce the cost of living such as tighter control on the price of basic goods. A recent survey showed that housing rents had not only increased by up to 45 per cent between 2001 and 2006, but had in cases also reached the levels prevailing in parts of Paris.[31] Another survey by the French consumer association "UFC-Que Choisir" revealed that the cost of living in the Territory was on average 72 per cent higher than in metropolitan France.[32]

B. Labour

39. According to information provided by the administering Power, the number of unemployed persons fell considerably in the past four years, from 12,275 in 2003 to 7,923 in 2007. That is partly the result of the increasing labour demands of the

[25] *Les Nouvelles Calédoniennes*, 15 February 2008, www.lnc.nc.
[26] *Pacific Magazine*, 13 December 2007, www.pacificmagazine.net.
[27] Harold Martin, President du Gouvernement de la Nouvelle-Calédonie, Déclaration de Politique Générale, 4 January 2008, at www.gouv.nc.
[28] *Les Nouvelles Calédoniennes*, 2 November 2007, www.info.lnc.nc; Economist Intelligence Unit, *Country Report* (November 2007).
[29] *Pacific Magazine*, 9 November 2006, www.pacificmagazine.net.
[30] Radio New Zealand International, 6 September 2007, www.rnzi.com.
[31] *Les Nouvelles Calédoniennes*, 21 September 2007, www.info.lnc.nc.
[32] *Pacific Magazine*, 8 January 2008, www.pacificmagazine.net.

mineral industry, particularly the recently operational Goro Nickel mine. However, the regional disparities mentioned above remain visible in the labour market and have tended to deepen.[33] As previously reported (A/AC.109/2007/9), unemployment remains particularly high among the Kanaks, who have repeatedly called for a corrective law giving preference to local workers.

40. Labour disputes are traditionally frequent in New Caledonia, leading to many hours of lost productivity owing to strikes and lockouts. In recent years, the number of social conflicts and the subsequent loss of working hours have risen considerably.[34] A conflict between USTKE and the public transport company Carsud led to violent clashes in January 2008 when the police undertook to dismantle a picket line. Several people were hurt and 45 unionists were arrested. The conflict had been sparked by the dismissal of a Carsud employee for alleged theft in November 2007. USTKE has since been fighting for his re-employment. At the time the present working paper was being prepared, the conflict was ongoing, negotiations had not been resumed and 14 unionists remained under arrest.[35]

41. Another strike, at the Territory's only cement factory in autumn 2007, paralysed the booming building sector for six weeks. The territorial Government considered the import of cement in order to cushion the impact on the industry and its workers.[36]

C. Mineral resources

42. New Caledonia's economy is dominated by the nickel industry. The Territory, which is the third largest nickel producer in the world after Russia and Canada, is estimated to have at least 25 per cent of the world's nickel reserves[37] and is responsible for 6 per cent of the world's nickel output, employing some 3,500 people in mining firms of varying sizes. Although this highly dynamic sector makes up to about 90 per cent of New Caledonia's exports and generates numerous related economic activities, it is fragile in that it is almost entirely dependent on international demand and nickel prices. For that reason, emphasis continues to be placed on the development of local metallurgical production, which creates more wealth, rather than on mineral exports.[9] In 2007, the world market price for nickel was particularly volatile, ranging from US$ 32,000 per ton in January, climbing to more than US$ 51,000 in May, before dropping to US$ 25,000 less than two months later.[38] In early 2007, the territorial Government announced that it would work towards new mining legislation aimed at promoting a more coherent approach to the islands' mining industry, with an emphasis on local processing of resources.[39]

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[33] Information provided by the administering Power, 9 January 2008; *Les Nouvelles Calédoniennes*, 11 July 2007, www.info.lnc.nc.

[34] See ISEE, Syndicats-Conflicts sociaux, www.isee.nc, accessed on 31 January 2008.

[35] *Pacific Magazine*, www.pacificmagazine.net, 18 January 2008; *Les Nouvelles Calédoniennes*, 16 and 23 February 2008 www.lnc.nc.

[36] *Les Nouvelles Calédoniennes*, 2 October 2007, www.lnc.nc; Radio New Zealand International, 6 November 2007, www.rnzi.com.

[37] Economist Intelligence Unit (November 2007).

[38] *Les Nouvelles Calédoniennes*, 24 October 2007, www.lnc.nc.

[39] Dow Jones Newswire, 26 March 2007, www.djnewswire.com.

43. There are currently three major projects related to nickel mining under way in the Territory, namely, those of Société Le Nickel, Xstrata and Companhia Vale do Rio Doce (see A/AC.109/2004/4, A/AC.109/2001/14 and A/AC.109/2002/13). While it is hoped that these projects will lead to significant economic growth, they remain controversial for environmental and financial reasons. The Kanaks continue to believe that mining rights are being sold off cheaply, that the economic benefits are not flowing to the poorer areas of the Territory and that development will damage the local environment. Early in 2007, the territorial Government announced its intention to employ stricter environmental standards in the new mining legislation.[39] In particular, there has been an ongoing debate for some years, as well as significant protest, over the impact that new nickel projects will have on New Caledonia's pristine maritime environment and coral reef system. The reef is 1,600 kilometres long and covers about 8,000 square kilometres. It is regarded by scientists as having great research potential and it is also a major tourist attraction. The French Government submitted a bid to UNESCO in 2007 to include New Caledonia's lagoons and reef ecosystem in the World Heritage list.[40]

44. The first of the three projects is being developed by Société Le Nickel (the New Caledonian affiliate of the French State-owned company Eramet), expanding its Doniambo smelter to boost production from 60,000 tons to 75,000 tons per year. Work on the renovation began in 2006 but faced several delays, including strike actions and multiple blockades.[41] The renewed facilities are projected to become operational in late 2008.[9]

45. The second project under way is a joint venture between the Kanak-controlled Société Minière du Sud-Pacifique and the Canadian company Falconbridge Limited. When Falconbridge was acquired by the Swiss mining group Xstrata in 2006, the future of the project was put in question. However, in October 2007, Xstrata confirmed its commitment to continue the US$ 3.8 billion project,[42] which includes the construction of a smelter in the North Province to process nickel from the Koniambo mountains. It is estimated that this smelter will produce some 60,000 tons per year, creating 800 jobs directly and 2,000 indirectly. It is also at the heart of a major project to bring wealth and employment to the underdeveloped North Province.[43] While actual nickel production is now not due to begin until 2011[44] the North Province government began construction of residential and commercial buildings around the Koniambo site in 2004 in order to prepare for the population increase expected to occur when the mine opens.[45]

46. The third project, a new nickel mine at Goro, South Province, was run by the Canadian company Inco until October 2006, when the Brazilian Companhia Vale do Rio Doce acquired 75 per cent of Inco's shares.[46] The three provinces have each signed up to acquire a total stake of 10 per cent in Goro Nickel. These shares were originally held by the French Government's mining and geological research

[39] *Pacific Magazine*, 2 February 2007, www.pacificmagazine.net.
[40] *Pacific Magazine*, 11 October 2006, www.pacificmagazine.net.
[41] Economist Intelligence Unit (November 2007); *Les Nouvelles Calédoniennes*, 18 October 2007, www.info.lnc.nc.
[42] Economist Intelligence Unit (March 2006).
[43] Radio New Zealand International, 18 October 2007, www.rnzi.com.
[44] Economic Intelligence Unit, *Country Report* (December 2003).
[45] *Pacific Magazine*, 27 October 2006, www.pacificmagazine.net.

department.[47] The project has suffered numerous setbacks since 2006 such as strikes, a legal dispute and ongoing protests by several activist groups (see A/AC.109/2007/9). In February 2008, Goro Nickel faced another setback when it embarked on the installation of a 21 kilometre long underwater pipe to carry liquid mining waste into the lagoon at the Havannah Channel. The construction quickly had to be stopped due to massive resistance by residents, environmentalists and local fishers, further delaying completion of the project.[48] Production is now projected to begin in late 2008.[49] Meanwhile, the costs of the factory have nearly doubled to US$ 3.2 billion compared to the initially projected investment of US$ 1.8 billion.[50] Both the Goro Nickel and the Koniambo projects have been granted tax breaks in the amount of several hundred million United States dollars by the territorial Government and the administering Power.[51]

D. Tourism

47. Tourism constitutes an important sector of the Territory's economy, accounting for about 4 per cent of the territorial GDP and around 8 per cent of the employment. Most visitors come from Australia, France, Japan and New Zealand. Over the last years, tourist numbers have remained static at around 100,000 per year. However, during the same period, the number of cruise arrivals has grown considerably.[52] Political instability, continuous labour strikes as well as high costs of living and air travel present the main challenges for the Territory's tourism sector. The Territory also has to compete with other attractive South Pacific Islands such as Fiji, French Polynesia and Samoa which recently overtook New Caledonia as third most popular tourist destination in the region.[53]

48. As previously reported, the territorial Government launched a strategic plan to revive the tourism industry in December 2005 aimed at increasing the number of tourists to 180,000 during the decade 2005-2015. The plan consists of three phases to be implemented successively in 2006, 2008 and 2012, and designed to diversify tourist destinations other than the capital. The first phase involved a new marketing strategy and subsidized rental accommodation designed to attract an upscale clientele. The second phase, now under way, aims to increase hotel accommodations by 1,200 rooms, with a view to launching a new tourist image. The final phase will attempt to consolidate New Caledonia's position in the international tourism market (see A/AC.109/2007/9).

49. Additional measures to support New Caledonia's tourism sector have been launched such as the abolition of visa requirements for Japanese nationals staying in the Territory for up to 90 days (*ibid.*). The territorial Government has also launched a series of campaigns targeted at visitors from New Zealand and Australia.[54] Moreover, efforts have been enhanced to promote coordination between the

[47] Inco Limited, 10 February 2005, www.inco.com.
[48] *Les Nouvelles Calédoniennes*, 20 and 25 February 2008, www.info.lnc.nc.
[49] Ibid., 2 February 2008.
[50] Economist Intelligence Unit (November 2007).
[51] *Pacific Magazine*, 20 February 2007, www.pacificmagazine.net.
[52] See ISEE, www.isee.nc, accessed on 4 February 2008.
[53] Radio New Zealand, 22 October 2007, www.rnzi.com; *Pacific Magazine*, 28 December 2005, www.pacificmagazine.net.
[54] Radio New Zealand, 9 January 2008, www.rnzi.com.

Territory's three provinces which in the past had been promoting their destinations separately, thus partly competing with one another. Also, a new reorganized national tourism office has been established.[55]

50. As previously reported, the Territory has enhanced its cruise sector which is reflecting in a rising number of cruise passenger arrivals.[56] In January 2008, New Caledonia's Chamber of Commerce, together with the administering Power and the territorial Government began with the renovation and upgrading of the international airport Tontouta, due to be finalized by early 2011.[57]

E. Other economic sectors

51. Other sectors that contribute to New Caledonia's GDP are public administration, commerce, services, construction and public works, small- and medium-scale industry and agriculture.

52. While the agriculture and fishery sectors account for only 1.9 per cent of GDP, they occupy a central place in New Caledonian society, employing some 30 per cent of the population, to some extent stemming the rural exodus. Rural development projects are aimed at increasing the local market, thereby decreasing the high dependence on imported food. While the prevailing small-scale structure of farming in the Territory hardly allows for more economic and efficient agricultural production, a growing number of farmers engage in eco-tourism in order to generate more income.[58]

53. Although fisheries are also underdeveloped, with commercial fishing accounting for only a third of the total catch, shrimp exports were New Caledonia's second largest export category in 2006, after nickel and nickel products. Despite the increase of shrimp production, falling market prices led to decreasing export revenues in the year 2006. Efforts to diversify the Territory's export market, which has traditionally been dominated by China and Japan, have shown some success, as evidenced by the 350 per cent increase in shrimp exports to the United States of America in the period 2005-2006. The aquaculture industry, which mainly relies on shrimp-farming, is subsidized by the French Government. While the North Province and Loyalty Islands authorities have continued the expansion of their fishing fleets, there were mounting concerns about falling stocks of certain species attributable to overfishing, climate change and ocean temperature cycles.[59]

54. The construction industry is currently a very dynamic sector and accounts for 8.6 per cent of the Territory's GDP. As discussed above, New Caledonia's real estate market is founded on high price levels comparable to those of Paris or the Mediterranean coast. However, the strike in the cement industry in October 2007 dealt a blow to the construction sector, at least temporarily.[60]

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[55] Economist Intelligence Unit (November 2007); *Pacific Magazine*, 14 February 2008, www.pacificmagazine.net.

[56] See A/AC.109/2007/91; www.isee.nc.

[57] *Les Nouvelles Calédoniennes*, 8 November 2008, www.info.lnc.nc.

[58] Economist Intelligence Unit (November 2007).

[59] Information provided by the administering Power, 9 January 2008; Economist Intelligence Unit (November 2007).

[60] Information provided by the administering Power, 9 January 2008; *Les Nouvelles Calédoniennes*, 2 October 2007, www.info.lnc.nc.

IV. Consideration of the question by the United Nations

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

55. At its 7th meeting, held on 20 June 2007 (see A/AC.109/2007/SR.7), the Special Committee on decolonization adopted a draft resolution, introduced by Papua New Guinea, in which all parties involved in the question of the status of New Caledonia were invited to continue promoting a framework for the peaceful progress of that Territory towards an act of self-determination (see A/AC.109/2007/L.13). Such a framework would safeguard the rights of all sectors of the population, according to the letter and spirit of the Nouméa Accord, which is based on the principle that it is for the populations of New Caledonia to choose how to control their destiny.

B. Special Political and Decolonization Committee (Fourth Committee)

56. Subsequently, at its 6th meeting on 15 October 2007, the Fourth Committee adopted a draft resolution on the question of New Caledonia (see A/AC.4/62/SR.6).

C. Action taken by the General Assembly

57. At its 75th plenary meeting, on 17 December 2007, the General Assembly adopted without a vote resolution 62/117 on the question of New Caledonia.

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Bermuda

Working paper prepared by the Secretariat

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I. General

1. Bermuda is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory is located in the western part of the Atlantic Ocean, about 917 kilometres east of the nearest continental shore, the North Carolina coast of the United States of America. The Territory, covering 57 square kilometres, consists of 8 major and 130 smaller islands. The largest is Great Island, or Main Island. Hamilton, the capital, and St. George's are the two main towns.

2. Bermuda was discovered by Spanish navigator Juan de Bermúdez in 1505. Bermuda remained uninhabited until 1609, when it was settled by a group of English colonists; in 1610 the first slaves were brought to work on the farms and to dive for pearls. The islands were administered under charter of the Virginia Company and successor companies, until the arrangement was dissolved in 1684 and government was fully assumed by the Crown. In 1620, the first Parliament was held after the Crown granted the colony limited self-government. In 1968, Bermuda was granted internal self-government and a new Constitution. In 1995, a referendum was held on the question of independence. Of the 58.8 per cent of eligible voters who participated, a small number by Bermudian standards, 73.6 per cent voted against independence. The then-opposition party had organized a boycott of the referendum among supporters of independence arguing that the issue should be resolved by general election.

3. In 2007, the population of Bermuda was estimated to be 68,500,[1] up from 62,059 during the 2000 census. Fifty-five per cent of the population is black, 34 per cent white, and the remaining 11 per cent mixed or other races, with an estimated annual growth rate of 0.58 per cent. The birth and death rates were 11.26 and 7.84 per thousand, respectively.[2] The Territory is the third most densely populated place in the world, with approximately 3,301 inhabitants per square mile, and with all of its population living in urban areas.[1]

4. The Overseas Territories Act, which came into force in 2002, provides British citizenship to the peoples of its Territories, including Bermudians. That law allows Bermudians to hold British passports and to work anywhere in the European Union.

II. Constitutional, legal and political issues

5. The Constitution of Bermuda, adopted in 1968, was amended in 1973, 1979, 1989, 2001 and 2003. The Governor (and Commander-in-Chief) is appointed by the United Kingdom, after consultations with the Territory's Premier. The Governor is

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Note: The information contained in the present working paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] Statistics provided by the Bermuda Government, 4 February 2008, bermuda-online.org/bdagovt.htm.

[2] Central Intelligence Agency, *The World Factbook*, https://www.cia.gov/.

responsible for defence, external affairs, internal security and the police. The current Governor of Bermuda, Sir Richard Gozney, took office in December 2007.[3]

6. Bermuda has a parliamentary system of government. The Government comprises a Governor, a Deputy Governor, a Cabinet and a bicameral legislature, with a House of Assembly of 36 members directly elected for a five-year term and a Senate of 11 appointed members. Five members of the Senate are appointed by the Governor, on the advice of the Premier, three on the advice of the leader of the opposition and three by the Governor at his discretion. The Governor appoints as Premier the member of the House of Assembly who appears to him or her to be best able to command the confidence of a majority of the members of that House. The Premier heads a Cabinet that may not comprise more than 14 members of the legislature.[4]

7. Bermuda's law and legal system are based on English common law and principles of equity, English statute law (in force since 1612) and Acts of the Bermuda Parliament passed since then. The judiciary is a separate body from the Government, and its members are not elected but are appointed on the advice of the Chief Justice. There are three courts presiding in Bermuda, namely, the Magistrates' Court, the Supreme Court and the Court of Appeal.

8. There are two official political parties in the Territory. The Progressive Labour Party (PLP) was formed by the black majority in 1963. The United Bermuda Party (UBP) was formed in 1964, largely by the white population.[4]

9. In the 1998 general election PLP defeated UBP and took power for the first time in the 30 years since the party system began in 1968. The party was re-elected for a second five-year term in 2003. The current Premier, the Honourable Dr. Ewart Brown, took office on 30 October 2006, following his election as the leader of the governing PLP, replacing Alexander Scott in each capacity. During the latest general election, held on 18 December 2007, Dr. Brown was re-elected as Premier of Bermuda, with PLP retaining their majority of 22 of the 36 seats in the House of Assembly. The next general election is due to be held in 2012.

10. Voters in the general and other elections or referendums must be 18 years of age and Bermudian by birth or status, or non-Bermudian long-term residents who are citizens of the British Commonwealth and registered to vote annually since 1979. According to the administering Power, in the 2007 general election there were approximately 42,304 registered voters, about 66 per cent of the total population, an increase of 3,000 compared to the 2004 elections. Voter turnout was approximately 76 per cent, with the number of votes cast at 32,028.

11. In significant measures, racial divisions in Bermuda continue to be played out in the support for, or opposition to, independence and the method to be used to ascertain the wishes of the population on that question. The ruling PLP wants the issue of independence settled in the context of an election, while the opposition UBP favours using a referendum, as has been done in the past.

12. As previously reported, the Bermuda Independence Commission, set up in December 2004, issued an official report in August 2005.[5] On the question of the

[3] *The Royal Gazette*, 28 January 2008, www.royalgazette.com.

[4] Information transmitted by the administering Power, 11 January 2007.

[5] *Report of the Bermuda Independence Commission*, August 2005.

use of either a general election or a referendum to test public opinion on independence, the Commission concluded that it was incumbent upon both political parties to share the merits of each method.

13. In November 2005, the speech delivered by the Governor on the occasion of the opening of Bermuda's Parliament (known as the Speech from the Throne), reflected the position of the territorial Government that independence was a natural progression for a mature jurisdiction such as Bermuda.

14. The following year, in November 2006, the Governor in his Speech from the Throne,[6] stated that Bermuda was unique and constitutionally advanced, economically sound and politically stable. Later that year, the Premier announced that independence was "not on the front burner" but that it was "still on the stove".[7] The Governor made no mention of the independence issue in his Speech from the Throne in either 2007 or 2008.

15. A poll conducted in June 2007 by the Bermudian newspaper, the *Royal Gazette*, showed that Bermudians were more in favour of independence than ever before. The number of supporters had jumped to 34.7 per cent, 12 points higher than during a previous public poll in March 2007. Prior to the June 2007 poll, the highest amount of support for independence, 28 per cent, had been recorded in August 2005 — immediately after the Bermuda Independence Commission began its work to inform and educate the public about the pros and cons of becoming independent. The June 2007 poll also showed that the number opposed to independence had fallen to a new low of 54.7 per cent. Of those polled, 10.6 per cent were undecided on the issue.[8]

III. Budget

16. Bermuda's fiscal year begins in April. In the 2008/2009 budget statement, the Finance Minister said that the Territorial Government's national budget was set at 1.1 billion United States dollars (US$).[9] The planned budget for the provision of the essential raft of public services such as education, health, housing, law enforcement, transport, waste management and other services was estimated at US$ 932 million. The capital expenditure programme has a proposed budget of US$ 155 million, up from US$ 141 million during the previous period.[10]

17. According to the budget for the 2008/2009 fiscal year, the territorial Government's proposed revenue is estimated at US$ 985 million, about 7.5 per cent higher than the revenue estimate of US$ 917 million in 2007/2008. Major sources of expected revenue are customs duty (US$ 259.7 million), payroll taxes (US$ 335.5 million), and land licence fees (US$ 45 million).[9] Additional revenue needed would partly come from a rise in fees and charges, including vehicle licences, and adjustments to a small number of tax rates, some of which have not been increased since 2001.

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[6] 2006 Throne speech, www.bermudasun.bm, 3 November 2006.

[7] www.theroyalgazette.com, 30 November 2006.

[8] Ibid., 4 June 2007.

[9] Budget statement, 2008/2009, www.gov.bm, 15 February 2008.

[10] Ibid., 2007/2008, www.gov.bm, 16 February 2007; and www.bermudasun.org, 16 February 2007.

18. On the expenditure side, the territorial Government anticipated the value to be US$ 1,081 million. Some of the budget allocations include US$ 14.3 million for labour, home affairs and housing; US$ 14 million for health; and US$ 13 million for education.[9]

19. According to the Finance Ministry's 2008/2009 budget statement, the most recent official data confirmed that 2006 had been an exceptionally good year for the Territory, with its economy expanding by 5.4 per cent, recording its strongest performance in 10 years. Economic indicators such as employment levels, visitor arrivals, visitor spending, international company growth and a balance-of-payment surplus position suggested that 2007 had been another year of strong growth. Bermuda's balance-of-payment accumulated US$ 829 million over the first three quarters of 2007, representing a year-over-year increase in the range of 5 to 6 per cent. The good performance in the external sector was fuelled by sustained growth of the international business sector, with the Bermuda market continuing to attract new capital.

IV. Economic conditions

A. General

20. The official currency of Bermuda is the Bermuda dollar. On a one-to-one basis, the Bermuda dollar is pegged to the United States dollar.[11] In 2008/2009 Bermuda's gross domestic product (GDP) was estimated to reach US$ 6 billion[9] compared to US$ 4,680 million in 2006, with the per capita GDP increasing from US$ 76,400 (2005) to US$ 83,935 by 2008, one of the highest in the world.[12] For 2008, Bermuda's GDP growth is forecast to be in the range of 2.5 to 3.0 per cent.[9]

21. According to the administering Power, the territorial Government continued to receive positive reports from external credit rating agencies on its management of the economy. In August 2006, Fitch Ratings upgraded Bermuda's long-term foreign currency issuer default rating to "AA+" from "AA". That rating was affirmed in September 2007 and Fitch Ratings considers the outlook for Bermuda as stable. The country ceiling has also been raised to "AAA" from "AA+". The 2006 report confirmed Bermuda's strengths as having a mature political system, stable macroeconomic environment and limited public debt, high per capita income and a dynamic international business community. At the same time, the report also noted that Bermuda is a small open economy, vulnerable to external shocks and susceptible to international regulatory pressures.[4]

22. In that connection, in the 2007/2008 budget statement,[10] the Finance Minister stated that the territorial Government had consistently received excellent reviews from the major credit rating agencies on its debt management performance and its record of overall economic management.

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[11] www.bermudasun.org, 27 February 2007; and www.eiu.com, 1 January 2007.

[12] http://www.bermuda-online.org/economy.htm, 5 February 2008.

B. Financial services

23. Bermuda is one of the world's leading offshore financial and business centres and is among the major jurisdictions worldwide in large-scale insurance and reinsurance. There is no central bank in the Territory. The Bermuda Monetary Authority is the regulatory authority for banks and trust companies.

24. Financial services continued to be the leading contributor to the growth of the national economy. That is especially true of the international business sector, which expanded by 4 per cent in 2007.

25. Bermuda's reputation has been built in part on providing a stable economic business environment, based on experienced management and underwriting staff, a history of timely payment of claims and a highly successful and adaptable regulatory framework. These characteristics continue to attract reputable businesses to the island.

26. In a sector-by-sector comparison, international business was the single largest provider of jobs in Bermuda's economy and generator of substantial levels of revenue to the Government. Its presence also has a positive influence on Bermuda's foreign exchange earnings.[4]

27. According to the latest data, there were more than 16,000 international companies, 2,551 local companies, 420 overseas partnerships and 840 other non-residents, many with a global business reach.[13]

28. In November 2007, the Foreign Affairs Committee of the United Kingdom House of Commons began a comprehensive inquiry into standards of governance, transparency and accountability, the role of governors and regulation of the financial sector for all 14 territories.[14] The inquiry is scheduled to reach Bermuda in March 2008.[15]

C. Tourism

29. The 2008/2009 budget statement noted that tourist arrivals had grown by 4 per cent in 2007, giving rise to an increase in visitor spending on the island.[9]

30. A global forum of the world's top 100 tourism business leaders predicted in 2006 that demand created by Bermuda's tourism industry was set to double by 2016 to generate US$ 2 billion in business. The number of jobs in the travel and tourism economy was predicted to increase from 7,000 in 2006 to 10,000 in 2016.[16]

31. The number of air arrivals for the first three quarters of 2007 totalled 243,294, reflecting a 2.8 per cent increase year-over-year, and the number of cruise ship arrivals totalled 551,511, reflecting a 5.2 increase year-over-year.

32. In 2008/2009 a hydrographic survey of ship channel and entrances will be conducted to complement the introduction of a second cruise ship pier at the Royal Naval Dockyard and assist in the future planning of Bermuda's cruise ship industry.

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[13] http://www.bermuda-online.org/intbiz.htm.

[14] www.theroyalgazette.com, 17 October 2007.

[15] Ibid., 31 January 2008.

[16] Ibid., 27 June 2006.

According to the 2008/2009, budget US$ 10 million was allocated for the second cruise ship pier at the Royal Naval Dockyard.

D. Construction

33. In contrast to robust growth in earlier years, construction was one of the few sectors that showed a reduction in jobs during 2007.[9] Commercial and high-end residential properties and office buildings in the capital, Hamilton, however, remain the main drivers of construction activity, with demand specifically driven by the need for commercial office space from the financial and international business sectors.

34. The Ministry of Public Safety and Housing has a budget of US$ 155.1 million for the 2008/2009 period that will finance a range of affordable housing options. According to the administering Power, to address the issue of homelessness, the territorial Government in recent years has launched a campaign of purchasing and renovating old properties to return them to suitable use; introduced "geared to income" rental housing; and promoted "life interest" sales of homes at discounted prices.[4]

35. Affordable housing for less well-off Bermudians continues to be of concern. Since 2007, according to the administering Power, the Government has worked with the private sector to generate progressive ways to finance new homes and encourage Bermudian landlords to get abandoned houses and empty apartments back into liveable condition and on the market for sale or rent.[17] Beginning in 2008, the building of more affordable rental units will also be spurred by the Government offering customs duty relief to private sector developers for constructing such units.[9]

E. Transport and communications

36. Bermuda has very high standard transport and telecommunications sectors. There is a network of about 225 kilometres of paved public roads and 400 kilometres of private roads (see also A/AC.109/2006/6, para. 25). Bermuda also has one of the highest road traffic densities in the world, with approximately 100 vehicles per kilometre of paved road.[18]

37. In 2007 vehicle registration and licensing generated US$ 27,777,442, a major source of revenue for the territorial Government. Restrictions on car ownership to one per household, coupled with a policy of allowing no rental cars, have resulted in the development of an excellent and well-utilized group transportation system. The Government's intention to phase in free bus and ferry fares for Bermudians was also recently announced.[9] In mid-2007, a 15-minute headway was implemented on the island's four main bus routes, meaning that the waiting time for passengers in either direction would never exceed 15 minutes. That bus service was made available from 6 o'clock in the morning until midnight to aid in decongestion and to minimize the risk of drunk-driving by individuals.[18]

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[17] Information transmitted by the administering Power, 9 January 2008.

[18] The Search for Clean Air; 2004 annual report of the Bermuda Biological Station for Research (www.bbsr.edu/pubs/ar04/ar04.html).

38. According to the territorial Government, the development of waterborne transport is an important element in the continued economic development of Bermuda. The Government took delivery in August 2006 of a 350-passenger catamaran ferry, which provides an alternative for the 13-mile commuter run from St. George at the eastern end of Bermuda to downtown Hamilton in the middle of the main island.[19] In September 2007, the sixth high-speed vessel acquired by Bermuda since its ferry system was created in 1999 arrived.[20] These state-of-the-art boats have been used to provide service from ferry docks, where parking, shelter and other amenities are provided to commuters.

39. In terms of administrative arrangements, the Territory's Ministry of Tourism and Transport, consisting of eight departments, is responsible for land, sea and air transportation, including public bus and ferry service, private transportation oversight (public service and community service vehicles), marine navigation, air operations, motor vehicle licensing and registration and civil aviation and maritime administration. The Ministry is also responsible for the Department of Tourism.[4]

40. Bermuda has its own air and ship regulatory agencies. Both the Department of Civil Aviation and the Department of Maritime Administration maintain registries, and are considered to be as stringent as comparable agencies in the United Kingdom and the United States.[4] Automation of the Aircraft and Registration System to accommodate the continued growth of the register of aircraft will be completed during the fiscal year 2008/2009.[9]

41. The Bermuda International Airport has undergone significant improvements since 2000. There are numerous regular flights between Bermuda and a number of destinations. The work on the runways and aprons at the Airport, for which US$ 7.5 million has been allocated, will continue throughout 2008/2009.[9] Bermuda has daily scheduled commercial flights to and from Boston, New York, Newark, Philadelphia, Toronto and Washington, D.C. A United Kingdom-based "budget airline" began twice-weekly flights between London's Gatwick Airport and Bermuda in June 2007, and during the summer season additional carriers are added to accommodate other gateway locations.[21]

42. In terms of communications infrastructure, in the pursuit of a niche market that will put a minimal burden on Bermuda's infrastructure, the Government is currently developing a regulatory framework designed to encourage global satellite companies to use Bermuda as their jurisdiction of choice for the administration of satellite network filings.[22] According to information provided by the administering Power, Bermuda's Satellite Network initiative has two components: the commercialization of the orbital slots allocated by the United Nations in 1983; and the development of a Satellite Network Administration. With respect to the first, Bermuda has submitted, through the United Kingdom, a proposal to the International Telecommunication Union to modify its primary orbital slot. The original allocation was designed to provide service to Bermuda only; but since this is not economically viable for a country of this size, the proposed modification seeks to serve both the United States and Bermuda. The progress of that proposal has been complicated by a separate proposal submitted by the United Kingdom on

[19] *Journal of the Maritime Industry*, 22 March 2007, www.professionalmariner.com.
[20] www.theroyalgazette.com, 8 September 2007.
[21] Bermuda Airline and Travel, www.bermuda.com/travelcenter/, 21 February 2008.
[22] Speech from the Throne 2008, 1 February 2008, www.gov.bm.

behalf of a Crown Dependency for a similar network, potentially affecting Bermuda's allocation.

43. The second component of the initiative, the development of the legislative framework for the administration of satellite networks, is well under way. The first part of that framework was the extension of the United Kingdom Outer Space Act 1986 (through the Outer Space Act 1986 (Bermuda) Order 2006) in December 2006. This allows Bermuda to accept applications for submission to the relevant United Kingdom authority for the issuance of licences authorizing the physical launch of a satellite. The second part, the most significant, is the creation of a Satellite Network Filing Administration, which establishes the regulatory framework for satellite networks filed through Bermuda. The applicable legislation, the Satellite Network Notification and Coordination Regulations 2007, came into force in November 2007. The final part is the assessment of the feasibility of resurrecting a satellite tracking station on a small portion of the land that was once used by the United States to track satellite launches during the 1970s and the 1980s. Interest has been shown by a number of satellite operators who are at various stages of conducting their own analysis.

44. The development of a policy proposal for the reform of Bermuda's telecommunications regulatory environment continued during 2007. Additional consultations were held, which narrowed the focus of prior consultations and also sought to obtain the views of the general public and engage them in the process. The Ministry of Energy, Telecommunications and E-Commerce has been provided with a budget of US$ 12.4 million for the fiscal year 2008/2009.[8]

V. Social conditions

A. General

45. Various socio-economic inequalities continue to exist in Bermuda. According to the administering Power, the Territory continues to address the issue of racial equality through the publication of statistics on workforce demographics, education and training and new proposals for legislation, addressed below.[9]

46. The territorial Government plans to implement programmes to address housing, education, health care, and quality of life issues of the Territory's youth and elderly. Programmes to address alcohol and drug abuse are being crafted, and will be guided by the National Strategy developed by the Department of National Drug Control. The territorial Government also intends to address rising crime and to institute innovative race relations programmes.

47. The territorial Ministry for Culture and Social Rehabilitation has established a Cross Ministry Initiative Team to focus on implementing solutions to the challenges that exist in the community. According to the Government, the Team has had significant success in providing immediate intervention and access to treatment for needy families. For the 2008/2009 fiscal year funding has been provided to enable the Team to assist up to 40 families in need of its integrated service.[9]

48. The needs of the elderly will form a major component of public policy in terms of the provision of public and private care services, given Bermuda's evolving demographic profile of fewer children, more elderly and an older workforce.[9]

According to the 2008/2009 budget, the territorial Government has made provisions to increase pension benefits in the Contributory Pension Fund by 5 per cent and prescription drug benefits for seniors are to increase by 6.75 per cent.[9] In 2007, benefits for war veterans were increased by an appreciable extent; specifically, medical, dental and pension benefits were enhanced, with the pension benefit being doubled, from US$ 400 to US$ 800 per month.[10] In the 2008 Speech from the Throne, the Governor announced that free childcare for qualifying families would be provided for children under 4 years of age. The territorial Government has earmarked US$ 1.5 million for the day-care programme for the 2008/2009 fiscal year.[10]

B. Labour

49. Preliminary results from the Annual Employment Survey point to a possible peak in employment levels in 2007. The total number of jobs was recorded at 39,832, up from 39,686 in 2006. The year-over-year increase was less than one half of a per cent in 2007, following an increase of 1.9 per cent in 2006. According to the latest available statistics, around 30 per cent of the labour force comprised expatriate workers. The unemployment rate is estimated to be approximately 3 per cent.[12]

50. Financial services continued to be the leading contributor to the growth of the economy. That was especially true of international business which, in expanding by 4 per cent, generated an additional 198 jobs. The real estate sector rebounded from a decline in jobs recorded in 2006, posting the second largest increase in the number of jobs in 2007, with an additional 96 posts. Other sectors that showed growth in 2007 were finance and business services. The public sector maintained relative stability in 2007 with an employment level of just over 4,050 jobs. In contrast to other sectors, construction, retail, transport and communications, and manufacturing all showed a reductions in jobs in 2007.[12]

51. During 2008 the territorial Government will continue its focus on achieving a flexible and responsive labour market that has the necessary incentives to encourage adequate training and development opportunities for the local workforce.[10] For instance, to enhance training and employment opportunities for Bermudians, the Government will require employers in some job categories to hire a minimum number of trainees or apprentices in order for the employers to qualify for work permits.[9]

52. As mentioned in paragraph 49 above, one third of the workforce in 2006 consisted of expatriate workers. A rollover policy for expatriate workers became effective in April 2007. The term limit is set at six years, at which point the guest worker must leave the Territory for two years before taking up residency again. The policy's aim is to control the long-term growth of the population, which has been expanding since the early 1970s when the Territory's economy started to boom.[4]

53. According to the administering Power, surveys have shown that many among the black population believe they suffer racial discrimination in the workplace, particularly in senior management roles in the international business sector, which is dominated by white overseas workers. Regulations requiring every company with 10 employees or more to present detailed demographics on its racial make-up,

including information on hiring, firing, benefits and promotions, are a central part of the social policies of the current Government.[4]

54. A 2006 Review of the Workforce Survey, which is undertaken and published annually by the Commission for Unity and Racial Equality (CURE), reinforces the view that representation of the black Bermudian workforce remains significantly skewed. While blacks represent 55 per cent of the workforce and of the overall population of Bermuda, they continue to be underrepresented in the senior/executive and mid-management positions and income levels and overrepresented in the non-professional employment levels.[4]

55. The territorial Government's initiatives addressing race relations are set out in paragraphs 65 and 67 below.

C. Education

56. Education in Bermuda is compulsory for all children from 5 to 16 years of age and is free in Government schools. There are also private schools. The literacy rate in the Territory is considered high: 98 per cent of males and 99 per cent of females 15 years of age and over can read and write. The public school system includes 2 senior secondary schools, 5 middle schools, 18 primary schools, 12 preschools and 2 special schools. High school graduates are prepared for further studies at the Bermuda College or at institutions abroad, mainly in the United States, Canada and the United Kingdom. For 2008/2009, the Ministry of Education was provided with a budget of US$ 143 million.[9] Since 2007, citizens from the Overseas Territories have benefited from the home student fee rate at English universities.[23]

57. As previously reported (see A/AC.109/2006/6, para. 34), the 2000 census revealed a serious disparity between the proportion of white students going to private schools (three quarters) and black students enrolled in the Government educational system. The quality of education at Bermuda's public schools is a frequent issue in the media, as only about half of the students attending public schools are estimated to graduate from high school.[24] In response, in February 2007, the territorial Government commissioned a report on the state of the public school system. The report has led to the creation of an Interim Board that is charged with overseeing a restructuring of the system.

58. Both of Bermuda's senior schools offer a broad range of subjects, with a view to ultimately achieving 102 credits after four years in order to be awarded the Bermuda School Certificate. Senior schools offer external examinations (General Certificate of Secondary Education) in various subjects, with the Ministry underwriting the costs of examinations written in the core areas.

59. The design and technology programme at the senior level was modified in order to ensure students are exposed to courses related to technical arts. Students participate in National Centre for Construction Education and Research courses, which are considered to be more relevant in terms of delivering meaningful content and certification opportunities to students. Participation in the National Centre

[23] www.fco.gov.uk, 23 November 2006, Lord Triesman, Overseas Territories Minister, eighth annual meeting of the Overseas Territories Consultative Council on 21 and 22 November.

[24] *The Royal Gazette*, 25 November 2005.

coursework also facilitates transition to the Bermuda College, where students can take more advanced courses.

60. According to information provided by the administering Power, the Bermuda College is the main educational facility that offers tertiary education in Bermuda. The College receives a grant from the Bermuda Government, and its operations are overseen by a Board of Governors. In 2007, the Bermuda College welcomed its first female president. The College normally charges fees for attendance, but it is intended that as of September 2008, students who enter the Bermuda College from one of the local senior schools and who enrol in an approved course of study at the College will not have to pay any tuition.

D. Health

61. Population projections continue to indicate that two major demographic phenomena will dominate Bermuda in the future years: an ageing population and a low fertility level. Life expectancy at birth is 80 years for women and 75 years for men. However, as previously reported, life expectancy among blacks in Bermuda is nearly four years shorter than for whites.[25] Population projections indicate that the annual growth rate will be less than one tenth of 1 per cent by the year 2015 and negative by the year 2030.[4]

62. As previously reported (see A/AC.109/2006/6, para.), there is no comprehensive publicly funded health insurance, although hospitalization insurance is mandatory for all employed or self-employed persons. Nonetheless, insurance coverage is nearly universal, and some persons are insured by more than one provider. The Territory's two hospitals, the King Edward VII Memorial Hospital and the Mid-Atlantic Wellness Institute, are operated by the Bermuda Hospitals Board, a statutory body financed by the Government.[26]

63. Access to health care is unrestricted through the general hospital. However, in 2007, the Government closed a medical clinic that had catered to those persons with no or inadequate medical insurance coverage. The clients have been transferred to the Government health insurance scheme and services are provided through local physicians. Qualification is determined through criteria set by the Department of Financial Assistance.

64. For 2008/2009, the Ministry of Health was provided with a budget of US$ 151.7 million. According to the 2008/2009 budget statement,[9] affordable and accessible health-care facilities remained of vital concern for the territorial Government. The establishment of urgent care centres in the eastern and western parts of the Territory is aimed at partly addressing that concern. The budget statement also announced the commencement of the design and development of an urgent care centre at Southside as well as the Government's commitment to instituting "Futurecare" in 2009/2010, a programme geared towards assisting senior citizens in getting insurance coverage for their health-care needs.

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[25] "Bermuda Health Systems and Services Profile", report prepared for the Ministry of Health and Family Services of Bermuda by Dr. Marcelo Rametta, April 2005.

[26] Pan American Health Organization, Bermuda country health profile, www.paho.org/english/sha/prfiber.htm.

E. Human rights and related issues

65. In 2008, a Workforce Empowerment Legislation is set to be introduced that will enhance the existing CURE legislation by mandating employers to document equality of opportunity policy and strategy.

66. CURE has engaged national partnership initiatives to fight racism and promote the elimination of racial discrimination in schemes sponsored by Citizens Uprooting Racism in Bermuda, a grass-roots non-governmental organization; and partnered with the Cabinet of the Government of Bermuda in organizing the Bermuda Race Relations Initiative. The so-called Big Conversation engaged Bermuda in dialogue on race twice monthly over the period from March to November 2007.

67. A National Race Relations Strategy has been proposed, incorporating findings from a number of existing reports, including the CURE Strategy and Workforce Empowerment. That Strategy will provide a mechanism for dialogue, consultation and agreement on Bermuda's official position on race and racism. Human rights legislation is also being reviewed.

F. Crime

68. According to the budget statement for 2008/2009,[9] as delivered by Bermuda's Minister of Finance, Bermuda has recently experienced an unprecedented spike in crime. To stem the tide of violence, a higher police presence and proactive policing measures are being put in place. Bermuda has a police force of approximately 450 full-time officers and several hundred part-time police reserves. Recruitment continues to be a challenge, but the Commissioner of Police and his senior staff have now made recruitment both locally and from overseas a priority.

69. As part of a larger effort to decrease the number of youth involved in criminal activity, the Government will expand the successfully implemented "Mirrors" programme, designed to help young people between 13 and 21 years of age to redirect their energies to more positive pursuits. In 2007, US$ 500,000 was earmarked for the programme, which is carried out by highly trained course leaders supported by a team of skilled professionals. They work with the participants in the programme to help them to work towards a higher sense of self-worth and self-esteem, in turn empowering them to achieve their goals in life. With an additional US$ 1 million allocated for 2008/2009, the programme will be broadened to include two intensive residential sessions.[9]

70. According to the latest statistics, in 2006, a total of 2,637 crimes were reported in the areas of violence, theft and burglary. At the end of the second quarter of 2007, some 1,400 crimes were reported.[27] The Police budget was increased by 10 per cent, to US$ 62.8 million for the 2008/2009 fiscal year to fund programmes and initiatives such as those mentioned above.[9] The Ministry of Justice has been provided with a budget of US$ 24.9 million for the same period and a newly established Financial Intelligence Agency was allocated US$ 500,000.[9]

[27] http://www.bermudapolice.bm/.

71. An anti-gang initiative, first implemented during 2006, continues to be developed and applied, aiming to obtain a full understanding of the extent of the gang problem in Bermuda.[4]

72. On the issue of illegal residency, in common with many attractive jurisdictions, Bermuda experiences the problem of persons residing illegally in the Territory, most through overstaying. According to the administering Power, the Compliance Section of the Department of Immigration works closely with the Bermuda Police Service in an effort to apprehend such individuals. When these persons are found, they are deported and their names placed on Bermuda's "stop list". Employers risk punishment if they are found to be employing people without work permits or if they allow employees to engage in work that is outside the parameters of their work permits. In addition to the penalties available in law, persons who employ individuals who are in Bermuda illegally risk being denied the right to hold future work permits or of having existing work permits revoked.[4]

73. In terms of legislative developments on the protection of children, the Criminal Code Amendment (No. 2) Act 2006 was passed by the House of Assembly in December 2006 to protect children from being sexually exploited or being preyed upon for sexual purposes by way of, but not limited to, the Internet environment. The Act addressed areas such as producing, possessing and distributing child-abusive material or child pornography; showing child-abusive material or child pornography to a child; Internet-luring; and the use of children in the production of child-abusive material or child pornography.

G. Environment

74. Under the 2008/2009 budget, the Ministry of the Environment and Sports was provided with a budget of US$ 43.3 million.[9] One of the key business objectives for the Ministry in 2008/2009, according to the territorial Government, is to complete major reviews of its business processes and the underlying legislation, with the intention of speeding up the planning approval process. The Ministry, during the period under review, has focused on a number of key remediation projects including the redesign of the Formal Gardens of the Botanical Gardens in Paget. In addition, restoration continued on Fort St. Catherine, the main fort in the park system, one of 90 forts across the Island. Both landmarks are part of the World Heritage Site of St. George's.

75. The Bermuda Turtle Project hosted the eleventh annual International Course on the Biology and Conservation of Sea Turtles, in August, 2007. There were 10 participants from Argentina, Bermuda, Portugal, St. Kitts and Nevis, St. Martin, St. Vincent, the United States, Uruguay and the Bolivarian Republic of Venezuela. The project continues to be successful in making a significant contribution to training turtle biologists from that part of the world.

76. A major focus of the Department of Planning of the Ministry of the Environment was the development of the New Bermuda Plan. The vision of the Plan is to effectively manage the environment and resources of Bermuda in a sustainable way. The Government's "Charting Our Course" Sustainable Development Strategy and Implementation Plan provide the strategic environmental, economic and social policy framework for the New Bermuda Plan, which is expected to be completed and released early in 2008.

77. The Ministry will also roll out a new recycling campaign during 2008. A 500,000 gallons per day Seawater Reverse Osmosis plant is scheduled to begin operations in mid-2008. In addition, the Ministry will continue work on the old Marsh Folly landfill to convert it into green space, a nature reserve and recreational use.[9]

VI. Military issues

78. Bermuda maintains a defence regiment of some 600 part-time soldiers. The adult male population is subject to conscription, involving three years' part-time liability for weekly drills, as well as an annual camp.[4]

VII. Relations with international organizations and partners

79. Bermuda is an associate member of the Caribbean Community and Common Market. Information on United Nations system activities involving Bermuda, including on the applicability of international labour conventions and international labour recommendations, is contained in document E/2006/47.

80. At the Overseas Territories Consultative Council meeting, held in London on 4 and 5 December 2007, the United Kingdom and the Overseas Territories represented at the Council, including Bermuda, agreed to extend the United Nations Convention against Corruption, to all the Overseas Territories at the earliest opportunity. They also set a target date of June 2008 for the extension of the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (International Labour Organization Convention No. 182) and December 2008 for the extension of the Convention on the Elimination of All Forms of Discrimination against Women, to all the Overseas Territories.[28]

VIII. Future status of the Territory

A. Position of the territorial Government

81. Developments regarding discussions on the future status of Bermuda are reflected in section II above.

B. Position of the administering Power

82. In a statement made on 11 October 2007 at the 5th meeting of the Special Political and Decolonization Committee (Fourth Committee), during the sixty-second session of the General Assembly (see A/C.4/62/SR.5), the representative of the United Kingdom inter alia said that "her Government, as administering Power for 10 Non-Self-Governing Territories, gave every help and encouragement to those Territories which wished to proceed to independence, where that was an option. Her

[28] Information provided by the administering Power on 9 January 2008; Press release on www.fco.gov.uk, 6 December 2007.

Government and its overseas territories continued to work towards the shared goals of security, stability and sustainable political and economic development, democracy, good governance and the rule of law. ... Her Government carefully considered all proposals for constitutional change received from the Territories."

83. As previously reported (see A/AC.109/2007/3) in a statement made on 24 April 2006, the United Kingdom Overseas Territories Minister took stock of the relationship between the United Kingdom and the Overseas Territories seven years on from the 1999 White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories".[29] An elaboration of the United Kingdom's position on alternative forms of relationship, as set out in United Nations General Assembly resolution 1541 (XV), has been previously provided (ibid.).

C. Action taken by the General Assembly

84. On 17 December 2007, the General Assembly adopted resolutions 62/118 A and B without a vote, based on the report of the Special Committee transmitted to the General Assembly[30] and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee) (A/62/412). Section III of resolution 62/118 B concerns Bermuda. Under that section's operative paragraphs, the General Assembly:

> "1. *Stresses* the importance of the 2005 report of the Bermuda Independence Commission, which provides a thorough and meticulous examination of the facts surrounding independence, and regrets that the plans for public meetings and the presentation of a Green Paper to the House of Assembly followed by a White Paper outlining the policy proposals for an independent Bermuda have so far not materialized;
>
> "2. *Decides* to follow closely the developments concerning the future political status of Bermuda under way in the Territory, and calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested, in the context of its public education programme."

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[29] "Partnership for Progress and Prosperity: Britain and the Overseas Territories", White Paper submitted to the House of Commons on 17 March 1999, by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs; reproduced in A/AC.109/1999/1, annex.

[30] *Official Records of the General Assembly, Sixty-second Session, Supplement No. 23* (A/62/23).

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Bermuda

Working paper prepared by the Secretariat

Corrigendum

Paragraph 18, second sentence

For US$ 14.3 million *read* US$ 155.1 million; *for* US$ 14 million *read* US$ 151.4 million; and *for* US$ 13 million *read* US$ 143 million

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